

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 13, 1933



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It Pays to be Atna-ized
It Pays to be an Atna-izer

THE AETNA CASUALTY AND SURETY COMPANY

affiliated with the

AETNA LIFE INSURANCE COMPANY
Hartford Connecticut

The National Underwriter

Thirty-Seventh Year—No. 28

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 13, 1933

\$4.00 Per Year, 20 Cents a Copy

Current Balances O.K., Old Ones Bad

Agents and Companies Alike Find Collections on New Business Better

OLD ACCOUNTS ARE SLOW

Producers and Carriers are Resigned to Fact Liquidation of Indebtedness Will Be Slow Process

Both companies and agents seem to be having the same sort of experience so far as collections are concerned. Current accounts are being kept up satisfactorily by agents and by assureds. Very few agents, who have lasted this long with a good record, have fallen behind in the last few weeks and the agents who have been in trouble are paying their current balances in better fashion.

Likewise the agents are not having much difficulty in collecting premiums for new business from assureds.

Old Accounts Are Bad

However, both agents and companies are having nearly as much trouble with old accounts as they have had in the last year or so. Here and there the indebtedness is being reduced by the agents paying to the companies so much per month of the frozen balances or the assured is liquidating his indebtedness in the same manner. But most of the companies and agents have become resigned to the notion that liquidation of old accounts will be a slow process. Undoubtedly much of this money will be collected during the remainder of this year, which will improve the statements of the companies materially. Premiums more than 90 days old, which could not be included in the Dec. 31, 1932, statement, will be salvaged and will be admitted assets this year.

The companies are distressed at the experience of trusted agencies. Agreements are put into effect whereby the agent who had been drawing \$300 out of his agency is allowed only \$100, for instance, and where the agent undertakes to pay 5 percent of his old balances each month. Then the agent complains that he cannot get along on \$100 and the 5 per cent per month is not forthcoming.

Too Strict a Diet

In some cases, the trouble may be that the agent has been put on too strict a diet. The field men may have been too harsh. Where a mistake has been made in this direction, some executives believe that instead of permitting the agent to fall down on his agreement and get farther behind, a new arrangement should be put into effect which the agent can reasonably expect to live up to.

In other cases, however, the agent may fall behind and if he is not called

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Possibility of Federal Insurance Code Revived

Indications have developed in the last few days that the possibility of insurance being brought in some way under the national recovery act is not as remote as many in the business believe.

Last Saturday Paul L. Haid, president of the Insurance Executives Association, and James A. Beha, manager of the National Bureau of Casualty & Surety Underwriters, were called to Washington to discuss with the administration of the recovery act the matter of a code for insurance. Probably the discussions were concerned merely with whether insurance is adaptable to the machinery of the act.

Mr. Beha leans rather strongly towards federal supervision and has expressed himself openly. Mr. Haid has not gone on record in the matter, holding that this is a question for the National Board. However, it is known that the National Board is opposed to a federal insurance code.

Executive Committees Confer

On Wednesday of this week the executive committees of the Association of Casualty & Surety Executives and of the National Bureau of Casualty & Surety Underwriters were in joint session in New York. The particular purpose of this gathering was to consider a code governing the interests of these two organizations in line with the suggestion to that end from General Johnson, chief administrative officer of the national recovery act.

When the national recovery act was signed there was a good deal of speculation as to whether insurance would not be affected by it. However, as it developed that General Johnson seemed to be primarily interested in hours of labor and wage, the business began to feel that the act would have no application to insurance. However, interest is now being revived in the possibilities.

Nonaffiliated Competition

In common with the fire men, casualty executives feel that their respective organizations were formed to perform the very services designed by the new federal act, in bringing about uniformity of practice the country over, an effort in which they are now handicapped because of the free lance activities of non-affiliating institutions.

The federal authorities are most anxious that the different trade interests agree upon hours of labor and minimum salaries and in so far as may be to give work to a number of present unemployed. How far the underwriters will be able to conform to the suggested program remains to be seen.

Casualty organization people feel that although federal control of insurance may not be imminent, the specter of it may result in the solution of some problems that have been affecting the business for some time. The effect, therefore, would be indirect.

Time For Proselyting

Efforts are now being put forth to induce certain of the important non-bureau companies to join the ranks. Apparently the organization people feel

that it is the opportune time to proselyte, with the organization spirit in the air throughout all industries. One of the arguments undoubtedly is that unless insurance can get together, that there is a chance that it may be brought under the national recovery act.

If the efforts of organization people to round up outsiders are successful, the likelihood is that acquisition cost and other problems in various parts of the country will be tackled with renewed vigor.

VIEWPOINT IN WASHINGTON

WASHINGTON, D. C., July 12.—Officials of the recovery administration informally have stated that insurance is not covered by the law although the industry may voluntarily submit a code if it desires. The understanding here is that the industry as a whole is not favorable to the code on the ground it would superimpose still another control on the 49 already exercised by state and federal governments. Hundreds of individuals from all industries are conferring with officials here daily.

Roy Eblen and W. M. Shaw Are Made Secretaries

Roy E. Eblen of Wichita, Kan., president Central States Fire, a subsidiary of the Phoenix of Hartford, has been elected a secretary of the Phoenix and Connecticut Fire. W. M. Shaw, general adjuster for the Phoenix group, has also been elected secretary. Mr. Eblen will continue as president of the Central States Fire but will make his home in Hartford about Sept. 1. He has been president of the Central States since 1921. Mr. Shaw entered the employ of the old western department of the Phoenix at Cincinnati in 1889, became Indiana state agent in 1907 and general adjuster at the home office in 1929.

Plan Golden Jubilee

Preliminary plans for celebrating the 50th Anniversary of the Underwriters Association of New York State were considered at the summer gathering of the organization July 11. Speakers at the celebration Sept. 13 will include P. L. Haid, president Insurance Executives Association, and F. M. Smalley, president, Glens Falls.

Coinsurance and Appraisals Clash

Whether Insurer Should Help in Arriving at Values Big Question

VITAL ISSUES INVOLVED

Some Who Favor Company Estimates Say Coinsurance Clause Should Not Be Permitted to Stand in Way

NEW YORK, July 12.—The discussion that has developed in the matter of insurance companies offering appraisal service to assureds leads to the question of the coinsurance clause and despite the fact that this is something of a sacred cow in the business, there are those who are willing to examine the usefulness and value of the clause with a fresh viewpoint.

Aside from the competitive phase of the company appraisals, which has engendered bad feeling in certain places, the fundamental question is involved as to whether the insurance company should have a hand in any way in helping the customer to arrive at proper insurance values. If the insurance company does give this help, the coinsurance clause will always bob up. Although an insurance company may take a statement from an assured that the appraisal was made at the instance of the assured, adjustment of a loss on any other basis than that of the insurance carried would be embarrassing to the insurance company. There would seem to be a moral responsibility on the part of the insurance company to stand by its estimates.

Radical Thinking in Order

If company appraisals are valuable and desired by the assured and if the coinsurance clause is a stumbling block, then some of the leaders in the business feel that some radical thinking about the coinsurance clause is in order.

The coinsurance clause, those with this viewpoint state, is a feature of the business, which has come to be regarded as a fixture and beyond discussion. However, they say there is no real reason why this should be so. It is little understood by the assured, is confusing even to many agents, and causes much resentment. Its use is a competitive disadvantage, they point out, so far as mutuals are concerned.

Some of those who are questioning the coinsurance clause and leaning towards the appraisal system feel that the insurance company should definitely assume active responsibility of arriving at values. They say it is unfair to tell an assured to protect himself to the extent he feels is correct and that the insurance company will let him know whether he is right or not after a loss has occurred. Those executives of this belief do not

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Defends Political Placing of Closed Bank Insurance

PINCHOT ANSWERS CRITICS

Pennsylvania Governor Regards Passing
Out Insurance on Basis of Patron-
age as Accepted Practice

HARRISBURG, PA., July 12.—In a statement Governor Pinchot defended the right and privilege of his administration giving insurance on closed banks to his friends.

His statement followed the disclosure before the joint legislative committee investigating the handling of closed banks by the state banking department that all but some \$50,000 of the more than \$400,000 in premiums had gone to 25 agencies.

The governor asserted that all of the business had been placed in "good companies" and that "who wrote the insurance is none of the investigating committee's business."

Charges Political Frameup

He charged that the entire matter was an attempt on the part of his political enemies to make him appear in bad political light by innuendo. He defended his secretary, D. C. McCallum, who refused to appear before the committee and asserted that McCallum has offered to furnish the committee any information it wanted.

"The placing of insurance has always been considered in Pennsylvania on the basis of patronage," the governor said.

"I am not convinced that it is the best way any more than I am convinced that the practice of political sponsorship for state jobs is the best way; on the contrary, I have been a confirmed believer in the merit system. But since the legislature will not pass a civil service law, the patronage and the bonds and insurance must go either to my friends or my enemies.

"I think the people of Pennsylvania, as a whole, would prefer me to distribute the few favors within my gift among my friends rather than among the friends of the Martins, the Vares, the Coyne and the McClures.

"I have not asked the approval of the Republican state organization which is conducting this alleged investigation, before dismissing or appointing state employees. Neither have I asked General Martin (former state treasurer) or Mr. Vare (William S. Vare, Philadelphia Republican boss) about the placing of the insurance."

Fred M. Gund Gives Picnic for Managers at Freeport

Fred M. Gund, western manager of Crum & Forster, is the host at a picnic that is being given today (Thursday) at Freeport, Ill., to the company managers and bureau and association heads in Chicago. Some years ago Mr. Gund's picnics were annual events but were previously attended by his own agents. This year's affair is exclusively for western managers. A golf tournament is scheduled to be held at the Freeport Country Club Thursday morning and a de luxe barbecue dinner will be served at noon. Quantities of genuine German brew prepared in the Wisconsin hinterlands will be dispensed. In the afternoon a few informal talks will be given and quaint outdoor sports indulged in. Rockwood Hosmer, Chicago local agent and president of the Illinois Association of Insurance Agents, will present some diversions.

Among the prominent western executives who will be present are W. N. Achenbach, Aetna; George H. Bell, National of Hartford; Robe Bird, American; H. G. Casper, Eagle Star; A. G. Dugan, Hartford; J. C. Harding,

Early Reservations for Agents Meet Important

The Chicago committee in charge of arrangements for the annual meeting of the National Association of Insurance Agents Oct. 11-13 is emphasizing the necessity of making reservations immediately. Out of town attendance at the fair is far exceeding expectations and hotel accommodations are taxed to the limit. Reservations have to be made weeks in advance. Chicago people have brought influence to bear in every direction in an attempt to get reservations for friends or business associates without success. There simply is no room available at a moment's notice in any of the standard hotels.

The Chicago committee is in a position now to make desirable reservations for the national convention, but there is great doubt that those who delay indicating their desire for reservations can be accommodated at a later date. The committee desires to emphasize that this is not ballyhoo for the convention, but a really serious situation.

Reservations should be made through J. S. Glidden, 2158 Insurance Exchange, Chicago.

Springfield; E. A. Henne, America Fore; H. A. Miller, North America; A. F. Powrie, Fire Association; E. M. Schoen, Atlas; C. R. Tuttle, North America; W. D. Williams, Security; J. V. Parker, Western Actuarial Bureau; H. M. Carmichael, Oil Association; Ernest Palmer, Illinois insurance superintendent; E. L. Rickards, National Automobile Underwriters Association; S. F. Weiser, Dubuque; C. R. Street, Great American; W. K. Maxwell, Hanover; Ralph Rawlings, Monarch; J. S. Glidden, Chicago Board.

J. L. Parsons, New York, head of Crum & Forster, will be a special guest.

Deductible Provision Rates

NEW YORK, July 12.—New York and other states that require rate filings have approved the \$25 and \$100 deductible automobile property damage

Reinsurance Companies See Some Light in the Distance

FORESEE SPECIAL ADVANTAGE

As Values Increase, Reinsurers Expect
to Show Sharper Gains Than
Originating Companies

NEW YORK, July 12.—The reinsurance companies are anticipating that they will enjoy a special advantage as values increase. Their theory is that the direct writing companies all during the period of falling prices have been increasing their retention, scanning their commitments closely to find where a few dollars here and there could be retained. The result of this process has been that the direct writing companies are carrying their limit and more than what might be regarded as their normal limit on thousands of risks. Accordingly when lines are increased, the originating companies will pass all of the increase along to the reinsurer. Of course, the direct company will benefit by this in the way of the commission from the reinsurer, which is greater than the commission paid the agent.

The reinsurance companies have suffered heavy loss of income because the direct writing companies, in order to cushion the decline as much as possible, have been retaining more and more for their own account. Therefore, the decline in premiums of reinsurance companies by and large has been sharper than the decline among the direct writing companies. The business will not be inclined to begrudge the reinsurance companies their good fortune if they can begin to show an increase sharper than that of the direct companies.

clauses, submitted by the National Bureau of Casualty & Surety Underwriters and adopted by the National Automobile Underwriters Association, together with the rates applicable. The rate for the \$25 deductible is a reduction of 25 percent from manual and that for the \$100 clause 50 percent from manual. The companies have been issuing a \$50 deductible clause for some time, and will continue to do so, the charge being 40 percent off manual figures. Fleet risks, embracing 10 or more cars, are eligible to use either of the new forms or the old deductible form, under the experience rating plan.

National Board Tells Why It Opposed Bank Measure

J. H. DOYLE OUTLINES VIEWS

Proposed Legislation, He Said, Would
Have Seriously Interfered With
Conduct of the Business

J. H. Doyle, general counsel of the National Board, outlined his objections to the unsuccessful attempt on the part of the National Association of Insurance Agents to cause banking to be divorced from insurance, in a letter to Walter Lambeth, manager insurance department American Trust Company, Charlotte, N. C. Mr. Lambeth has challenged the authority of W. H. Bennett, secretary National association, to lobby for this measure in congress.

Mr. Doyle expressed the belief that this was legislation of a highly restrictive character and would have seriously interfered with the present conduct of the business without corresponding benefit to the industry or to the public. If the amendment had prevailed, the withdrawal and replanting of agencies exceeding in number the total membership of the National association would probably have been required. Many old and harmonious connections would have been broken. He expressed the belief that not a single bank failure was contributed to by the bank or one of its employees acting as an agent for an insurance company. He said he could not recall any bank agency that has had to be trusted or otherwise disposed of by reason of delinquent balances.

Furthermore, he said, the purposes sought were those that should be a matter of determination between the agents and the companies without legislative interference.

Peters Heads Insurance Committee of U. S. Chamber

Justin Peters, president Pennsylvania Lumbermen's Mutual Fire of Philadelphia, has been appointed chairman of the insurance committee of the United States Chamber of Commerce by Henry I. Harriman, president of the chamber. John C. Harding, western manager Springfield Fire & Marine, is vice-chairman. The other members are S. Bruce Black, president Liberty Mutual; Lee J. Dougherty, president Guaranty Life of Davenport, Ia.; P. J. Fay of Nichols & Fay, San Francisco; L. A. Lincoln, vice-president Metropolitan Life; W. L. Mooney, vice-president Aetna Casualty, and Harry Scherr, Vinson, Thompson, Meek & Scherr, Huntington, W. Va. Mr. Scherr is a brother of J. W. Scherr, president of the Inter-Ocean Casualty, of which company Harry Scherr is a director.

The committee is working on plans to extend the conservation work in the fields of fire prevention, health conservation and accident prevention.

A bulletin will be prepared shortly presenting the facts as to legislation requiring insurance and surety companies to make special deposits of cash or securities. The national chamber regards such measures as erroneous.

The department will issue a bulletin showing recent trends in compensation legislation containing a digest of the important provisions of the compensation laws.

The committee will consider proposals to reimburse persons injured in automobile accidents with a view to ascertaining their practicability.

The committee will also promote the chamber's policy favoring the creation of sound retirement systems for business firms and corporations.

Anthony Serebn has been named underwriter of the Pioneer Fire of Chicago to succeed J. J. McKay, who resigned.

THE WEEK IN INSURANCE

Both agents and companies find that current accounts are being kept up satisfactorily, but that old balances are still badly frozen and that their liquidation will be a slow process. **Page 1**

Possibility of federal code for insurance is reviewed. **Page 1**

Reinsurance companies anticipate that they will show sharper gains than the originating companies as values increase. **Page 2**

Litigation is pending to determine whether control of the State of Pennsylvania shall pass from the Globe & Rutgers to the American of Newark. **Page 2**

Globe & Rutgers Fire seeks to regain possession of its property held by the New York insurance department. **Page 4**

Mid-year figures as filed in Georgia will be watched eagerly this year, everyone in the business being interested to see to what extent the companies have benefited by the advance in security quotations. **Page 3**

J. H. Doyle tells why National Board opposed legislation to divorce insurance from banking. **Page 2**

Workmen's compensation insurance for the first six months reveals about the same condition as in 1932. **Page 10**

Acceptance of business over the counter and countersigning policies by salaried employees of companies held legal in California. **Page 3**

Roy E. Eblen, president Central States Fire, and W. M. Shaw, general adjuster of the Phoenix of Hartford group, have been elected secretaries of the group. **Page 1**

Surety company officials are alarmed at the aggressive action of London Lloyds in seeking bankers' blanket bonds in states where there is no law to permit the licensing of Lloyds. **Page 10**

Rewriting risks in failed company without collecting premium held illegal in Pennsylvania. **Page 21**

Work on the bridges over the bay at San Francisco will bring in much new business to companies. **Page 21**

J. W. Marden, manager New York Plate Glass Service Bureau, gives some suggestions for the production of plate glass business in the summer. **Page 20**

Governor Pinchot of Pennsylvania defends system of placing insurance on closed banks on patronage basis. **Page 2**

Van Schaick calls special meeting of commissioners to discuss many broad angles of compensation business. **Page 10**

Control of State of Pa. Litigated

Remak Seeks Approval of Sale of Company to American of Newark

VAN SCHAICK IS OPPOSED

Complicated Deal Is Proposed for Shares Held by Golden Hill Building Corporation

NEW YORK, July 12.—Whether control of the State of Pennsylvania will pass from the Globe & Rutgers to the American of Newark will depend upon the outcome of litigation now pending before the court.

The application of Gustav Remak, Jr., president of the State of Pa., that directors of the Golden Hill Building Co. be compelled to accept the bid of the American for the shares of the State of Pa., was argued before Supreme Court Justice Frankenthaler, the court giving the interested parties until tomorrow to file additional briefs.

How Shares Are Held

In his affidavit Mr. Remak states he has been president of the State for approximately 20 years. Of the 10,000 shares outstanding 6,357 are owned by the Golden Hill Building Co., which is 95 percent owned by the Globe & Rutgers, the remaining 5 percent being held by the Stuyvesant and the State. The American of Newark offered to purchase the shares of the State of Pa., owned by the Golden Hill Co. for \$165 per share. Tied up with the offer, however, is the proposition that the American take over the 50 percent of the State's term business now reinsured in the Globe & Rutgers, which would involve the payment by the G. & R. to the American of about \$720,000.

Deals Affect Each Other

Should the American acquire the stock of the State owned by the Golden Hill it would require payment of \$1,050,000. It is intended to offset one transaction against the other, thus involving a net cash payment by the American of about \$330,000. The offer of the American has been formally approved by directors of the G. & R., Stuyvesant and of the State.

When the proposition was submitted to the board of the Golden Hill Co., the matter was laid over, the contention being that the shares were worth \$269. A representative of the G. & R. spent some time in the office of the State of Pa. recently checking over its affairs in an effort to determine their values. While efforts have been made to secure offers more advantageous than that submitted by the American, it is reported they have been unsuccessful.

Results Are Shown

Because of the close affiliation of the State of Pa. with the Globe & Rutgers, the placing of the latter company in the hands of a rehabilitator seriously injured the reputation of the State with its agency force, and induced the reinsurance of the net retained half of its American and Canadian business, with the Newark company, \$675,000 in all having been paid in the transaction. President Remak has been seeking to release the control of the State from the G. & R. interests, appreciating that should it pass to the American of Newark, complete confidence in the future of the institution would be restored.

Results which would follow should
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Salaried Company Employees Exempted from License Law

CALIFORNIA RULING ISSUED

Tax Provision Offers Loop Holes in Agents' Efforts to Check Over Counter Business

SAN FRANCISCO, July 12.—Salaried employees of insurance companies, accepting business over the counter and countersigning policies, do not have to be licensed as insurance agents, according to an opinion rendered Commissioner E. F. Mitchell by his attorney, F. L. Guereña. The opinion is practically a reiteration of one given last year only it is based upon the recently amended agents and brokers qualification law.

Mr. Guereña's opinion is of great interest because of the efforts of organized agents and brokers to stop the practice of companies paying commissions to salaried employees and according to the agents the opinion does not directly meet the issue. At the same time the companies have been puzzled over the exact requirements as regards salaried employees accepting counter business. Attorney Guereña states that he bases his opinion upon the following conclusions:

Cites Tax Provision

"It is provided in subdivision (b) of section 14 of Article 13 of the constitution of California that the state tax annually payable by every insurance company doing business in this state 'shall be in lieu of all other taxes and licenses, state, county and municipal, upon the property of such companies except county and municipal taxes on real estate.'

"The essential function of an insurance company is to execute insurance policies and the company can do business only through the activities of its officers and its employees. A tax, whether state or local, imposed against an employee of an insurance company who is employed and authorized by the company to accept business over the counter or to countersign policies of insurance would be in contravention of that provision in the constitution which makes the state tax calculated on the gross premium basis exclusive of all taxes and licenses other than local ad valorem taxes upon the company's real estate. This interpretation and application of the language of the constitution is squarely supported by decisions of the supreme court."

Col. Dunham Calls for List of the Delinquent Agents

Commissioner Dunham of Connecticut has issued to companies a call for lists of agents who, as of Oct. 1, are more than 90 days in arrears in payment of their balances. Col. Dunham was chairman of a committee, which brought in the resolution at the Chicago meeting of the National Convention of Insurance Commissioners, suggesting that the individual states follow this course. He is asking for the names and addresses of agents and brokers in arrears, together with the amount due from each and the month in which the various items of indebtedness were incurred. The information must be filed within 30 days after Oct. 1. Then the companies are asked to supply these lists every quarter thereafter.

Ward Executive Secretary

F. P. Ward, who was formerly connected with the publicity department of the Aetna Fire, has been appointed executive secretary of the Insurance Advertising Conference. He plans to establish headquarters in Hartford.

General Chairman



ROLLIN I. READ

Rollin I. Read, head of Crum & Forster's Chicago and Cook county office in Chicago, general chairman of the Chicago insurance convention committee arranging for the annual meeting of the National Association of Insurance Agents, the week of Oct. 9, is very active and resourceful in this work. Mr. Read is a big factor in the Crum & Forster machine. Before taking his present position he was in the field, being Illinois state agent of the Sun. He gained his early experience with the Illinois Inspection Bureau.

London Lloyds Holds Long End of \$200,000 Oil Loss

NEW YORK, July 12.—London Lloyds appears to have been hit for the major portion of the estimated \$200,000 loss on oil, equipment and property in the conflagration at the Texaco plant in Elizabeth, N. J. Corroon & Reynolds also is reported on the risk.

There were some 300,000 gallons of gasoline and oil burned when a 50,000-gallon tank of gasoline was ignited by lightning. Soon after, a second tank of the same size was ablaze, and a third one was melted down.

The gasoline spread over the marshlands, resulting in a great fire visible from New York points. Nine other tanks, four containing naphtha, were endangered. The engineer of a New Jersey Central switching engine braved the flames and moved 40 tank cars of gasoline to safety.

Much U. & O. on Breweries

A considerable volume of use and occupancy business is being written these days covering breweries. Some of the companies have sent out special bulletins to agents urging the solicitation of this business, which seems to come easily. The brewers are in clover at present and are eager to protect their profits. New breweries are being opened throughout the country each week and they offer new insurable values.

Bennett to Tour Far West

W. H. Bennett, secretary of the National Association of Insurance Agents, will leave New York City for the Pacific Coast July 20. En route he intends stopping at various agency centers, and is due to arrive at Tacoma in time to address the Insurance Agents League of Washington, which will hold its annual convention there Aug. 10-11.

Mid-Year Figures Awaited Eagerly

Everyone Wants to See to What Extent Companies Have Benefited

GEORGIA FILINGS EYED

Rumors of Receivership, Reinsurances and Retirements Have Ceased With the Rise in Security Quotations

By GEORGE A. WATSON

NEW YORK, July 12.—Fire companies domiciled in this state and foreign institutions maintaining United States headquarters here are filing with the department required quarterly financial statements, setting forth in outline such changes in their investment portfolios as have occurred during the preceding three months. In computing values the convention formula is used so far as stocks are concerned, bonds being amortized. These returns are for the guidance of the department and are held confidential.

Georgia is the only state calling for semi-annual figures and allowing their publication. Interest in the returns to the latter state will be awaited with intense interest, managers and agents alike being eager to learn the extent to which companies have been benefited through the great advance in security quotations and the decrease in losses that has taken place since last March.

May Use Actual Values

Though six months must yet elapse before companies will be called upon to submit their 1933 figures, speculation is already being indulged in as to what formula for valuations will be followed. Should the stock market continue to advance in anything like the degree it has during the past ten weeks, it is just possible that the commissioners will abandon the formula agreed upon two years ago—and which most people in the business believe was fully justified under the conditions that obtained until recently—and get back to a strictly market basis. By statutory provision the life companies operating in this state amortize the value of their bond holdings and will continue so to do. Fire and casualty companies followed the same procedure last year, this under the discretionary power granted the superintendent. Whether the practice will be extended when the markets attain greater equilibrium remains to be seen.

At the convention of commissioners in Chicago last month, the matter of determining values to be used in preparing 1933 reports was left to the committee on valuations, with power. The committee, of course, will not define its position until the latter part of the year, and will be guided by conditions then existing.

Proposal Not Favored

Company men generally are not favorably inclined to the suggestion favored by Superintendent Van Schaick of New York, and agitated by the National Association of Insurance Agents that fire and casualty companies be required to invest their loss and premium reserves in trust fund securities, pointing out that such procedure would seriously hamper general operations. Notably, they state, would this be true should a large reinsurance deal be involved the consummation of which would compel the sacrifice perhaps of fine interest paying securities for low yield bonds.

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Globe & Rutgers Fire Now Seeks to Restore Itself

PETITION FILED THIS WEEK

President Jameson in Affidavit Declares
Company Is Solvent and Able
to Meet Demands

NEW YORK, July 12.—The Globe & Rutgers Fire through President E. C. Jameson is now seeking to regain possession of its property held by Insurance Superintendent Van Schaick, as rehabilitator. In the petition filed this week the company alleges that it is entirely solvent. President Jameson in the petition says that it is solvent to the extent of about \$10,000,000. It is claimed that the company's capital is \$2,000,000 intact and has surplus of \$5,213,496. It is stated that the New York department will oppose the motion.

Figures Are Presented

Superintendent Van Schaick has been officially acting as rehabilitator since March 24. In the affidavit President Jameson, in putting the solvency at \$10,000,000, says that the amount of \$7,213,496 excess of assets over liabilities does not take into account various items actually increasing net worth by \$3,600,000. The petition states that with the securities portfolio as of July 3 taken at so-called convention values, the net worth would be \$23,352,547. The petition states that the company will be in a position to meet its obligations as they mature. The directors asked S. C. Kingston, independent accountant, to calculate how much cash resources the company would need to reopen business. He states that the company would need \$4,045,162 in cash on reopening including \$2,773,972 for losses already adjusted, \$357,189 for return premiums now payable and \$1,000,000 to meet return premiums that may become due within 30 days. To meet all of these, Mr. Jameson's affidavit states that cash of \$1,604,903, plus the proceeds of daily sales of securities would be sufficient. The affidavit states that the obligations are of three general kinds: Claims for losses, claims for return premiums and the \$10,000 loan from the R. F. C. The R. F. C. loan, Mr. Jameson states, does not require immediate attention. He states that the company should have available listed securities having a market value of July 3 of about \$7,500,000. Argument on the application of E. C. Jameson to have the rehabilitation order of Superintendent Van Schaick set aside, which was to have been heard before Justice Schmuck Wednesday of this week has been postponed until July 14.

Missouri Rate Case Up

The stock fire companies operating in Missouri won another legal skirmish with the insurance department in the long drawn out controversy regarding rates when the Missouri supreme court granted an application of 143 companies for a temporary writ of prohibition restraining Circuit Judge Sevier from enforcing an order directing the companies to repay immediately \$13,087,619 in excess premiums collected between Nov. 15, 1922, and Aug. 9, 1929, and \$5,586,177 in interest from Nov. 15, 1922, up to May 2, 1933, making the grand total to be accounted for \$18,673,796.

The exact amounts refunded by the companies have never been revealed. Generally it is believed approximately 95 percent of the excess premiums have already been paid back or about \$12,433,406.20, leaving \$654,390.50 still to be accounted for.

G. L. Frey, manager of the general cover department at the head office of the North America, is spending a few days in Chicago.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple &
Co., 135 So. La Salle St., Chicago,
at close of business July 11

Stock	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	50	53
Aetna Fire	10	1.60	34	36
Aetna Life	10	...	21	23
Amer. Alliance ..	10	1.00	15	16
Amer. N. J.	2.50	.50	9	10
Amer. Surety	25	...	28	31
Automobile Conn.	10	1.40	22	24
Boston	100	16.00	420	440
Carolina	10	.50	15	17
City of N. Y.	100	2.50	115	125
Continental As. ..	10	2.00	26	28
Continental Cas. .	5	...	13 1/2	15
Continental Ins. .	5	2.50	34	35
Fidel.-Phenix	2.50	1.20	33	35
Fireman's Fund ..	5	3.00	55	57
Fireman's F. Ind. .	10	...	22	24
Firemen's	5	...	6 3/4	7 1/4
Franklin Fire	5	1.00	17	19
Glens Falls	10	1.60	27	29
Globe & Rutgers .	25	...	56	62
Great Amer. Ind. .	1	...	5	6
Great American ..	5	1.00	17	19
Hanover	10	1.60	27	29
Harmonia	10	.50	15	17
Hartford Fire	10	2.00	45	47
Hartford St. B. .	10	1.60	47	49
Home, N. Y.	5	1.00	21	23
Home F. & M.	10	2.00	30	32
Ins. Co. of N. A. .	10	2.00	43	45
Maryland Cas. .	2	...	4	5
Mass. Bonding ..	25	...	20	23
National Cas.	10	...	6 1/2	8
National Fire	10	2.00	47	49
National Liberty .	2	.10	5	6
National Union ..	20	...	43	45
New Amst. Cas. .	10	1.50	15	17
New Brunswick ..	10	.50	15	17
North River	2.50	.60	16	18
N. W. National ..	25	.50	73	78
Occidental	10	...	18	20
Pacific Mutual ..	10	2.00	27	30
Phoenix, Conn. .	10	2.00	57	60
Prov. Wash.	10	.80	23	25
Sprgld. F. & M. .	25	4.50	76	78
St. Paul F. & M. .	25	6.00	113	116
Sun Life	100	...	480	510
Travelers	100	16.00	420	440
U. S. Fire	4	1.20	29	31
U. S. Fid. & G. .	2	...	5 1/2	6
Westchester	2.50	1.00	22	24

Mutual Advertising Rally

The executive committee of the 1933 Mutual Insurance Advertising Conference met July 9-10, at Chicago, to formulate plans for its meeting in Minneapolis Oct. 9-12. The committee is composed of W. E. Jackson, Grain Dealers National Mutual, chairman; L. H. Jones, Lumbermens Mutual; D. F. Raihle, Federal Hardware group; Paul Parkinson, Hardward Mutual Casualty; Len Sharp, Mill Owners Mutual; Charles Coates, Indiana Union Mutual.

F. Willard Smith in Chicago

F. Willard Smith of Waldeman & Smith, New York City insurance brokers, is spending the week in Chicago accompanied by his family visiting the exposition. Mr. Smith was formerly an insurance man of Chicago. He originally came from Toronto where he was in the marine field. For some time he was connected with the Markham agency at St. Louis, being in charge of its old Individual Underwriters and Lloyds' department. Mr. Smith then took up credit insurance and until the Ocean Accident discontinued that line was with the head office in New York. He still keeps his headquarters in the head office of the Ocean at 1 Park avenue.

Dwelling House Loss Ratio

The dwelling loss ratio in a number of states during the last year maintained a bad a record as was presented in 1930 and 1931. In fact in some localities the dwelling house loss experience was even more distressing last year than heretofore. What was once regarded as the choicest business a company could get is now about the worst. One of the interesting features of dwelling house losses is the fact that some states show a much higher loss ratio than others.

Companies have been sounding out their field men and local agents as to causes. Undoubtedly the continual

Observations Are Made on Premium Collections

Archibald Kemp of Newark, vice-president of the Firemen's, has written a memorandum for his office on the subject of collections. He makes some excellent observations. Mr. Kemp said:

The year 1932 just ended was a trying year in the insurance business. One of the many trying problems was that of collections. It was a problem that worried agents and companies alike. Agents were worried because many of their customers who needed and must have insurance protection were unable, because of general business conditions, to pay their premiums when they became due and yet the companies had to be paid for these premiums.

Problem Confronting Companies

The executives were worried because collections were so slow in coming in, and yet losses had to be paid as promptly as usual. These losses (as is always the case in times of business depression) were running heavy and called for the larger use of free cash. The failure of the agents to send in their collections when they were due compelled the companies to secure ready money by selling some of their securities. These had to be sold on a falling market, thus compelling the companies to take investment losses.

However, these phases of the collection problem were not the ones that worried executives the most. The cases that were the source of the greatest worry were those agents who had not carefully distinguished between "Mine and Thine" in the handling of their cash accounts. We think it was the experience of company officials generally that during 1932 the number of "delinquent," "trusted" or "insolvent" agencies was larger than in many years. Some officials have said these cases were more in number than they had known in any previous year of their years of experience in the business.

Agents Had Not Remitted

Analyses of the reasons for these agencies being delinquent proved that in the great majority of the cases inability on the part of the agents to collect premiums from policyholders was not the cause of the trouble, for in fact examination of the accounts of such agencies showed that in most cases the totals of uncollected premiums due from customers were much lower than the balances owed by the agents to their companies, clearly showing the agents had not remitted to the companies all the premiums that had been collected for their account.

The genesis of these difficulties was in the fact the agents had not first realized that only a certain percentage of all the premiums belong to them—that portion being the commission allowed for securing the business—the remainder being the companies' money.

Because of this failure to differentiate between "Mine and Thine" in the division of premium receipts, proper

bookkeeping methods may not have been set up with the result the agents' actual commission earnings were not clearly set forth in their books. In earlier years with money in their bank accounts or in sight as collectible from their policyholders, agents were induced to invest in real estate, in "the market" or in manufacturing or mercantile enterprises, and then when these ventures due to the general business depression, proved unprofitable, they awoke to the fact balances due could not be paid because they had used the companies' money in these private investments. Then the agents' and the companies' troubles began.

Accounting Method Used

Years ago the writer had an intimate knowledge of the accounting methods of a prominent agency in a large city. Its bookkeeping system compelled the bookkeeper to carefully analyze each month the commission amounts due from the companies in the agency, as shown in the accounts current, and to split the total commission (in the agency's books, not the companies' accounts) charged to each company into two amounts, one being "brokerage" and the other "office commission." The "brokerage" represented the amount the agency would have to pay upon any business it may have written during the month for brokers located in or outside of the agency. This amount was credited to the "brokerage" account, while the balance of the month's commission charges in the companies' accounts current were credited to the "office commission" account. Return brokerages and return commissions were, of course, given reverse treatment.

Office Commission Account

The "office commission" account, therefore, represented the actual gross income or gross earnings of the agency, and accurately showed the owners of the agency what these gross earnings were. From these earnings the expenses of the agency had to be paid, and the remainder was the amount of profit or loss of the month's transactions to be divided among the members of the firm. As the members of the firm rigidly kept their private withdrawals from profits, within the limits of the profits as shown by the office commission account, there was no possibility of the companies' share of premiums being used for private purposes, and, therefore, the agency never had any difficulty in financing its companies' balances when they became due.

To sum up, it was only a common sense bookkeeping proposition of making an accurate division between "Mine and Thine" but it saved a lot of grief to everybody. This common sense treatment will work in every agency, large or small, to the advantage of agents and companies alike.

case that comes up, study it from the standpoint of physical value and then make an appraisal of the risk from a moral hazard standpoint.

Miscellaneous Notes

Harry W. Collins & Co. of Indianapolis has been incorporated by H. W. Collins, M. W. Rhoades and William Pasho.

S. M. Edwards, Des Moines, is now manager of the insurance department of the Iowa Title & Loan Co., Albia, Ia. He succeeds V. V. Gass, who plans to open the Gass Insurance Co. at Albia.

Al Deviney, formerly special agent in San Antonio for the Industrial Fire of Dallas, has opened a local agency at Austin, Tex.

The Wolf & Cohen agency, Petersburg, Va., has been incorporated. C. B. Narko, Washington, D. C., is president; E. C. Townsend, vice-president, and G. B. Townsend, secretary, both of Petersburg.

NEWS OF FIELD MEN

Miazza Is Louisiana's Chief

Secretary New Orleans Adjustment Is Elected Most Loyal Gander of His Pond

J. F. Miazza, Jr., secretary New Orleans Adjustment Company, has been elected most loyal gander of the Louisiana Blue Goose. P. F. Perrilliat, Fireman's Fund, is supervisor; E. W. Charlton, Jr., Continental, custodian; C. E. Farrell, Security of New Haven, guardian; R. U. Wright, New York Underwriters, keeper; W. J. Gayle, assistant superintendent of rates Louisiana Rating & Fire Prevention bureau, welder. There are 101 members.

R. M. Pons, retiring most loyal gander, started a class in the Insurance Institute of America last October, with an enrollment of 110, which will be continued under his guidance. Mr. Miazza's office is in the Maritime building at New Orleans.

Texas Blue Goose Elects

At the annual meeting of the Texas Blue Goose in Dallas, these officers were elected: W. L. Moore, Gross R. Scruggs & Co., most loyal gander; Chas. D. Rankin, National of Hartford, supervisor; R. W. Fort, custodian; W. E. Bonner, Commercial Union, guardian; E. R. Schoen, keeper; A. H. Haynes, welder. Guards are W. H. Grice, Paul Love, T. McD. Almond, H. G. Alexander, G. S. Yeagan and Thos. D. Copeland.

R. C. McConnell, Royal, retiring most loyal gander, and Frank O. Long, Glens Falls, were selected as delegate and alternate respectively to the grand nest meeting in Toronto.

Ohio Field Groups Meet

The Ohio Fire Prevention Association held its annual meeting and the Ohio Fire Underwriters Association its July meeting at Cedar Point this week. R. S. Tidrick of Columbus, the new president of the latter organization, announced his committees.

The executive committee includes R. W. Hukill, Paul E. Brown, R. E. Zimmerman, E. F. Carnes and T. O. Dye.

At the meeting of the Fire Prevention Association information was given as to the steps that are being taken by various Ohio cities to improve their fire-fighting facilities.

Richard Vernor was the principal speaker at the fire prevention meeting. New officers are: president, Dwight Ely, Ohio Farmers; vice president, Robert Melson, Home of New York, and secretary, Dean Hagerty, Globe & Republic.

Kansas Pond's Special Meeting

The Kansas Blue Goose held a special meeting in Topeka July 11 to consider proposed changes in the constitution and by-laws of the grand nest and to instruct its delegates in that connection. It was announced that no assessment would be made for the fellowship fund of the Kansas pond for the year 1933-34.

H. W. Masters Resigns

H. W. Masters, who as special agent has traveled Pennsylvania for the Century of Edinburgh for several years, has resigned. A successor will be named shortly.

Slawson in New York

M. W. Slawson, special agent for the Royal at Wichita, Kan., will spend the next month at the New York office in the general cover department.

Oklahoma Fire Prevention Meeting

The annual meeting of the year of the Oklahoma Fire Prevention Association

is scheduled for July 17, President Carl G. Lund announces.

Graduates from Head Office

J. B. Scurry, who becomes special agent in western Washington for the General of Seattle group, has been connected with the head office since 1924, when he left school. Up to 1929 he was

in the underwriting department and then was transferred to Los Angeles as California underwriter. In 1932 he returned to the home office where he has been in the brokerage and agency department.

O'Malley Makes Appointments

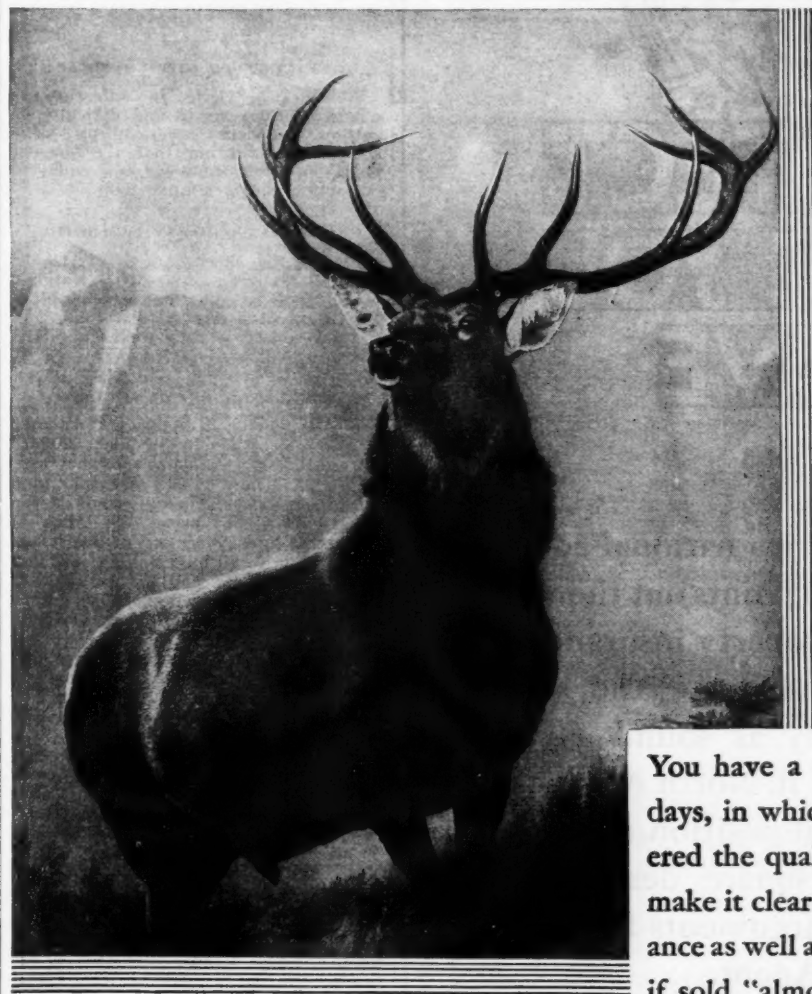
P. B. McHaney of St. Louis, who has been an assistant attorney general, has been appointed by Superintendent O'Malley as counsel for the Missouri department.

J. P. Gordon of Kansas City, a former state auditor, has been appointed

an examiner for the insurance department.

John M. Read of St. Joseph has been appointed assistant actuary of the department.

Mr. O'Malley has announced that he will retain for the present the services of J. T. Barker and G. S. Weatherby as special counsel for the department in the fire rate litigation but that J. D. Bowersock of Kansas City and Ira Lohman of Jefferson City, who have also been on the special counsel staff for the department, will not be continued in that capacity.



You have a splendid opportunity these days, in which reduced prices have lowered the quality of much that is sold, to make it clear that the soundness of insurance as well as the quality of merchandise, if sold "almost at cost," should be subjected to careful scrutiny. Such scrutiny a Hartford agent need not fear—the Hartford stag on his walls and trademarked on the policies he delivers are symbolic of insurance whose soundness his customers know has never been questioned since the Hartford was chartered in 1810.

**HARTFORD FIRE
INSURANCE COMPANY**
HARTFORD • CONNECTICUT





**PROTECT
WHAT YOU
HAVE**

COPYRIGHT 1932 BY INS. CO. OF NORTH AMERICA

The North America national advertising this month points out the vital importance of property insurance as an anchor to windward. And, since insurance is only as sound as the company behind it, North America's enviable financial position and 141-year record of square dealing are valuable selling arguments for every North America Agent.

See the North America full page advertisement in The Literary Digest, July 15th.

**Insurance Company of
North America**
PHILADELPHIA

and its affiliated companies write practically every form of insurance except life.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

RIOT POLICY DECISION

Damage to stores caused by the malicious smearing of acid over the fronts of them is not covered under the riot and civil commotion policy, the appellate term of the New York supreme court held in *Kitty Kelly Shoe Corporation vs. Eagle Star & British Dominions*. The court apparently felt that such malicious destruction was not accompanied by any of the usual features of a riot.

* * *

DIFFICULT TO GET COVERAGE

Reinsurance clerks in different fire offices report considerable difficulty in getting sufficient coverage on large schedules, indicating that the present is an opportune time for companies to embark on the facultative line.

* * *

GRIGGS TO BE IN CHARGE

During the absence of J. H. Doyle, general counsel for the National Board, who is going on a vacation, E. M. Griggs, assistant general counsel at Chicago, is expected to take charge at the head office.

* * *

PIERCE ON PRICE SELLING

C. W. Pierce, vice-president America Fore, has issued a booklet entitled "Price Selling." He declares that producers have been guilty of encouraging price consciousness in the minds of the buyers. He emphasizes the value of competent agency service saying it has a real value to all buyers. He said that the agent should sell his services as worth cash to his customers. He finds there are two points developed in "price selling."

1. There is a price necessary to furnish sound stock company insurance and competent accompanying service. The price has no relation to the quotation on other kinds of insurance.

2. All too frequently purchasers of insurance do not realize that properly drawn contracts of insurance may alone stand between their solvency and bankruptcy should serious fire or casualty occur.

* * *

TREND AWAY FROM FRAME

A study of building construction in the more important cities of the country in the past decade, conducted by the Continental in connection with insurance on such properties and their contents, discloses the steady trend that has taken place away from the frame type within the period. The action is reflected in the decline in the average fire rate, which was 73 cents per \$100 of coverage last year, as against 96.9 cents in 1921.

The compilation reveals that in more than 30 leading centers, which at the beginning of 1932 had 2,389,918 buildings of all types, the number of non-frame structures increased since 1921 about 11 percent more than did the frame buildings, while the average increase in the total of all buildings in 37 cities was 42 percent and the average gain in the frame class in 32 centers, 31 percent. In Washington, D. C., there was an actual decrease of 10 percent in the number of frame buildings in the ten years, while in the same period the non-frame structures increased 39 percent.

* * *

CANCELLATION DECISION

The appellate division of the first department in New York City affirmed the judgment of Supreme Court Justice Rosenman in an action brought by the Louisiana Public Utilities Company against 12 insurance companies, the question involving notice of cancellation. Notice was received by the company after the fire and was held to be ineffective. The question involved was as to the effective date of cancellation

of the policies replacing those of the Standard of New York. The Standard paid one-half of the loss and claimed that the other companies were liable to contribute the rest. Action was brought by the assured against the other companies.

The questions were whether a notice of cancellation by the assured to a broker is effective and whether a letter ordering cancellation received by the company after the loss, takes effect from the time of its sending or only upon receipt by the company. The defendant companies claim that their policies had been canceled at the request of the assured at noon on the date of the fire. The assured thought Wagner-Taylor Company of Philadelphia, its broker, had secured insurance from the Hartwig-Moss Agency of New Orleans. In September the plaintiff changed brokers and gave the handling of the insurance to Brown-Crosby Company of Philadelphia. On Sept. 28 it decided to cancel the insurance. The Brown-Crosby Company bound the Standard and on Sept. 27 an officer wrote the Wagner-Taylor Company that it had decided to cancel the insurance as of Oct. 1. The former order of the Wagner-Taylor Company was dated Sept. 28. On Oct. 1 it wrote Hartwig-Moss requesting cancellation and the letter was received on Oct. 3, two days after the fire. It was answered by telegram claiming cancellation as of Oct. 1. The court in upholding the lower court said that the law is well settled that a request for cancellation is not effective until delivery to the insurance company or its agent is made and that this delivery does not result from the mere deposit of the request to cancel in the mails.

* * *

Insurance Post 1081 of the American Legion will hold an armistice party and charity ball Nov. 10. The post is made up wholly of brokers and employees in insurance offices.

Miscellaneous Notes

The Iowa Hardware Mutual has been licensed in Colorado. C. H. Johnson will be general agent.

E. W. Carlsen, Elkader, Ia., has taken over the insurance business of H. L. Svenson, former vice-president Central State Bank & Trust Company. Mr. Svenson has joined the state banking department.

Convention Dates

July 28-29—Wyoming Agents, Casper.
July 24-25—West Virginia Agents, Fairmont.

July 29—Upper Peninsula Agents, Ishpeming.

Aug. 4-5—Idaho Agents, Hayden Lake.

Aug. 8-9—Montana Agents, Bozeman.

Aug. 10-11—Washington Agents, Tacoma.

Aug. 22-24—Blue Goose, Toronto.

Aug. 23-24—Ohio Agents, Marion.

Aug. 24-26—International Association Insurance Counsel, Chicago.

Sept. 1-2—Iowa Agents, Fort Madison.

Sept. 11-13—International Claim Association, Atlantic City.

Sept. 20-22—National Association of Mutual Insurance Agents, Columbus, O.

Sept. 25-27—Insurance Advertising Conference, Chicago.

Sept. 26-28—Casualty Conventions, White Sulphur Springs.

Oct. 5-6—Pennsylvania agents, Pittsburgh.

Oct. 6-7—Michigan Agents, St. Joseph.

Oct. 9-12—National Association of Mutual Insurance Companies, Minneapolis.

Oct. 11-13—National Association of Insurance Agents, Chicago.

Oct. 11-13—Industrial Insurers Conference, French Lick Springs.

Oct. 19-20—Kansas Agents, Hutchinson.

Nov. 7-9—California Agents, Pasadena.

Dec. 5-6—Insurance Commissioners, New York.

AS SEEN FROM CHICAGO

FAIR VISITORS WARNED

Some of the company men are suggesting to agents that they advise assureds who are driving to Chicago for the world fair to take precautions to avoid having their cars stolen. The cars of a good many world fair visitors have been stolen and stripped, much to their annoyance and inconvenience. The safest course is always to park the car in a garage.

* * *

SECURITIES UNDER SUPERVISION

Owing to the fact that the stock of insurance companies sold in Illinois must be qualified hereafter with the state securities department it will mean that there will be a full and complete disclosure to investors of material facts regarding securities offered for sale. The securities department states that it will make a thorough investigation. The financial statements must be certified to by a public accountant.

* * *

CASHEL AT OHIO MEETING

Western Manager J. R. Cashel of the Providence Washington attended the Ohio field meeting at Cedar Point this week. He formerly traveled in the state for the Providence Washington.

* * *

R. D. WILEY'S FATHER DIES

Rollin F. Wiley, 80, father of Rodney D. Wiley, Illinois state agent of the Atlas, died in Chicago this week and was buried at Galva, Ill., his old home.

* * *

WHITAKER IN CHARGE

E. G. Whitaker of the executive staff of the Chicago Board is doing the chief work in handling the details for the Chicago insurance convention committee, looking after the preliminary work for the meeting of the National Association of Insurance Agents to be held the week of Oct. 9. Mr. Whitaker is assigned to the dispatching of all arrangements, looking after correspondence, reservations, etc. He was formerly in charge of the automobile department in the western office of the Queen. "Doc" Whitaker is creating much favorable sentiment for the convention.

* * *

BRIDGES HAS ARTERY BURST

L. H. Bridges, Chicago, special agent of the Home of New York group in Illinois, and grand supervisor of the flock of the Blue Goose, is carrying his arm in a sling. He did not fall out of a window nor did he meet with an automobile accident. "Larry" Bridges was sleeping peacefully at home when suddenly he was aroused by the bursting of an artery in his arm.

* * *

BUCK FISHING IN CANADA

Western Manager S. M. Buck, Fireman's Fund at Chicago, is on a fishing trip in the Lake of the Woods, Can. He is accompanied by General Agent J. V. Nutter of Winnipeg and M. P. Cornelius of Chicago, vice-president of the Continental Casualty.

* * *

SEEK GREATER COOPERATION

The operation of the recently created Central Automobile Salvage Bureau of Chicago was under consideration at a joint meeting of committees from the Western Loss Association, Automobile Superintendents Club of Chicago and a subcommittee of the western advisory committee of the National Automobile Underwriters Association. Although a majority of the companies are using the facilities of the bureau, the consensus of the meeting was that its value should be emphasized to those companies, which are not actively cooperating. A bulletin on the subject probably will be sent out, pointing out among other things the benefits that will be derived if the companies get estimates on repair work from the Central Salvage Bureau.

The report was made to the joint

meeting that the present Chicago city administration has indicated a willingness to support the insurance companies in their salvage work and not make other commitments, which would interfere with that work.

* * *

AMERICA FORE GOLF PARTY

Vice-president E. A. Henne was host to the officers and department heads of the western department of the

America Fore at a golf and dinner party at his home club in Park Ridge, Ill.

Each player was presented with a carton of golf balls inscribed with the player's name by Mr. Henne.

Ernest Sturm, chairman of the board, was the donor of a handsome silver trophy which is to remain in the possession of the low net player for one year. Three wins get permanent possession. First leg was won by C. R. Williams, manager Illinois loss department.

Other winners were: Low gross score, Secretary H. W. LaRue, set of golf clubs; 5th low gross, T. C. Under-

wood, agency superintendent; 10th low gross, F. D. Hougham, secretary; 15th low gross, L. F. Summers, chief engineer; 1st blind bogey, B. W. Jones, assistant auditor; 2nd blind bogey, L. J. Feeney, agency superintendent; special combination, driving, approaching and putting, W. G. Martin, agency superintendent.

* * *

H. M. Hansen, class 1 agent in the Insurance Exchange, Chicago, fortunately practices what he preaches, and carries among other coverages inland marine insurance on personal property in his office, as well as his home, for his office was burglarized over the last week end, the loss being over \$150.



A FRIENDLY COMPANY

When an agent receives his commission of authority to represent the old Ohio Farmers, he receives also all the cordial cooperation of a friendly company.

This Ohio Farmers quality of friendliness, of cordiality, does not appear in the balance sheet. The insurance commissioners do not admit it as an asset. You just can not measure with a yardstick the warmth of a whole-souled handclasp.

Yet experienced Ohio Farmers agents put a very high value on the friendly spirit that nourishes good will between them and their Company. They have found it pleasant and profitable to do business with a friendly company.

fire
AND
AUTOMOBILE
INSURANCE

OHIO FARMERS
INSURANCE CO., LEROY, O.



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

Casualty Fidelity Surety

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

*Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.*

Company Affiliations in the West

THE complete list of companies operating in all or a part of so-called "Western Union territory," according to affiliations, corrected up to July 12, 1933, follows:

WESTERN UNDERWRITERS ASSN.

Aetna	Glens Falls
Aetna Fire Und.	Glens Falls Und.
Agricultural	Globe Fire Und.
Albany	Globe, Okla.
Alliance, Pa.	Globe & Rutgers
Allemania	Globe Und.
Amer. Alliance	Granite State
American Central	Great American
American Eagle	Guaranty Und.
Amer. & Foreign	
Amer. & For. Und.	Halifax
Amer. Nat'l, Ohio	Hamilton
American, N. J.	Hanover
Am. Standard, Okla.	Harmonia
American Und.	Hartford
Amer. Union	Hibernia Und.
Anchor, R. I.	Holland-Amer. Und.
Anglo-Amer. Und.	Home, N. Y.
Atlas	Home Und.
Atlas Und.	Home F. & M.
Atlantic, N. C.	Homeland
Automobile, Ct.	Homeseekers
	Homestead
Baltimore Amer.	Illinois Und.
Birmingham, Pa.	Imperial
Ben Franklin, Ky.	Ins. Co. No. Amer.
Boston	Ins. Co. State Pa.
British America	Insurance Und.
British Und. Agcy.	Iowa
Brit. General	Iowa State Und.
Caledonian	Jersey Fire Und.
Caledonian-Amer.	Kans. City F. & M.
Caled. Amer. Und.	
California	LaFayette
Camden, N. J.	Law Union & Rock
Carolina	Lincoln, N. Y.
Central, Md.	L. & L. & G., Eng.
Cent. States, Kan.	London & Provin.
Cent. States Und.	London & Lanc.
Central Union	London & Scottish
Century	London Assur.
Chgo. F. & M. Dept.	London Und.
Citizens, N. J.	Louisville F. & M.
City of New York	
Colonial Fire Und.	Manhattan F. & M.
Columb. Fire Und.	Maryland
Columbia, N. J.	Mass. F. & M.
Columbia, Ohio	Mech. & Traders
Commerce, N. Y.	Memphis Fire
Com'l Union, N. Y.	Mercantile, N. Y.
Com'l Union, Eng.	Merchants, R. I.
Commonw'th, N. Y.	Mercury
Connecticut	Mich. Com'l Und.
Conn. Und.	Michigan F. & M.
Constitution Und.	Middlewest Und.
Continental	Mid-West Dept. Ia.
Continental Und.	Minneapolis F. & M.
County, Pa.	Minnesota Und.
Delaware Und.	
Detroit F. & M.	Natl. Amer., Neb.
Detroit Nat'l	National, Ct.
Dixie	National, N. J.
Eagle, N. Y.	National Liberty
Eagle Star & Brit.	Nat'l Security, Neb.
Eastern Und.	National Union
East & West	Netherlands
Empire State	Newark
Empire State Und.	New Brunswick
Employers Fire	New England
English-Am. Und.	New Hampshire
Equitable F. & M.	New Haven Und.
Equitable Und.	N. Y. Fire Office
Excelsior, N. Y.	New York Und.
Exchange Und.	Niag.-Detroit Und.
Export	Niagara
Farmers, Pa.	N. B. & M., Eng.
Federal Union	N. Car. Home
Fidelity-Phoenix	Northern, Eng.
Fidelity & Guar.	Northern Und.
Fire Ass'n.	North River
Fire & Marine Und.	N.W.F. & M., Minn.
Fireman's Fund	Norwich Union
First American	
First Kentucky	Occidental
Forest City Und.	Ohio General
Franklin, Pa.	Old Colony
Franklin Nat.	Orient
Fulton	
Georgia Fire Und.	Palatine
Georgia Home	Patriotic
	Pennsylvania Fire

People's Und.	Southern Fire
Phenix Und.	Springfield F. & M.
Philadelphia F. & M.	Standard, Ct.
Phoenix, Ct.	Standard Marine
Phoenix, Eng.	Star of N. Y.
Phoenix Und.	Sun
Preferred Risk	Sun Und.
Protector Und.	Sussex, N. J.
Prov. Washington	
Providence Und.	Tennessee
Provident Fire	Transcontinental
Provident Und.	Travelers Fire
Prudential, Okla.	Travelers Und.
	Trinity Universal
Quaker City Und.	Twin City
Queen	
Queen City	Union, Canton.
Queen Und.	Union, Eng.
	Union, France
Reliance, Pa.	Union, Ind.
Resolute Und.	Union Marine
Retallers, Okla.	United Amer. Und.
Rhode Island	United Firemen's
R. I. United Und.	United States
Richmond	United States Und.
Rochester Amer.	Universal, N. J.
Rockford Und.	
Royal Exchange	Victory, Pa.
Royal	Virginia F. & M.
Royal Und.	Vulcan Und.
Safeguard	
St. Paul F. & M.	Washington Und.
St. P. Merc. Und.	Westchester
Scottish-Met.	Western, Canada
Scottish Und.	Western, Kan.
Scottish U. and N.	Western Nat'l, N.D.
Security, Ct.	West. & Southern
Sentinel	World F. & M.
Seaboard F. & M.	Yorkshire

BUREAU

Allegheny Und.	Mechanics Und.
Ben Franklin Und.	Millers Nat'l
Capital, N. H.	Milwaukee Mech.
Cincinnati Und.	Milwaukee Und.
Columbian Nat. Und.	Monarch, O.
Concordia	Nat'l-Ben Franklin
Dubuque	National Reserve
Eureka-Security	New England Und.
Firemen's N. J.	N. W. Nat'l
Firemen's Und.	Northwestern Und.
Girard Und.	Ohio Farmers
Iowa Und.	Pittsburgh Und.
Keystone Und.	Reserve Under.
Mechanics, Pa.	Security, Iowa
	Standard, N. J.
	Superior, Pa.
	Western Und.
	Wisconsin Und.

NON-AFFILIATED

Allied, N. Y.	Merchants, N. Y.
American Druggists	Merchants, Ind.
Amer. Equitable	Merchants Und.
Amer. Home	Merch. & Mtn.
Amer. Merch. Mar.	
Asso. Federal Und.	National, Colo.
Bankers & Shippers	New Jersey
Ben Franklin, Ky.	N. Y.-Equitable Und.
Buffalo	New York Fire
Coml. Stand., Okla.	Northern, N. Y.
First National	Old Dominion
General, Wash.	Pacific
General Schuyler	Pearl, Eng.
Globe-Equitable Und.	Phila. Nat'l
Globe & Republic	Pioneer, Ill.
Great Eastern, N. Y.	Pioneer Equit.
Gulf, Tex.	Potomac
Illinois	Republic, Texas
Importers & Exp.	Republic Fire Und.
Independence Und.	Rocky Mountain
Indiana	St. Louis F. & M.
Iowa Nat'l	Security Nat., Tex.
Knickerbocker	South Carolina
Liberty, Ky.	Standard, N. Y.
Lumbermen's	Stuyvesant
Meiji	Tokio M. & F.
Merchants, Colo.	Utah Home
	Washington, N. Y.

Fifteen Percent Increase in Hail Premiums Expected

The chances are now that the hail writing companies will end the season with an increase in premiums of about 15 percent over last year. This is not the increase that was anticipated earlier in the season when crop prices began to increase. Those prices started to increase too late to cause improvement in the hail business in the southwest and other sections, but the hail people felt that the business in the northwest would be greatly stimulated. However, the crops in North and South Dakota, Montana and Saskatchewan are

so badly damaged that the market for hail insurance is affected.

Mutual Agents' Meeting Set

The second annual convention of the National Association of Mutual Insurance Agents will be held in Columbus Sept. 20-22. Russell Davis, manager of the Columbus branch of the Lumbermen's Mutual, is chairman of the local committee on arrangements.

John C. Starrett, assistant Cook county manager for the Home of New York, is in the Ravenswood hospital in Chicago recovering from an operation which was performed Tuesday of this week.

NEWS OF THE COMPANIES

Monarch-Pearl Deal Advances

Cleveland Company Appointed General Agent for Ohio and Illinois—Other States to Be Added

CLEVELAND, July 12.—The Monarch Fire has been appointed general agent for Ohio and Illinois by the Pearl Assurance of London, with which it has had a working agreement since May 1. More territory will be added from time to time, according to Ralph Rawlings, president of the Monarch, with new agents for the Pearl to be appointed as rapidly as possible.

The two companies effected a working agreement whereby Monarch writings would be divided with the Pearl on a percentage basis, permitting the Monarch to assume larger lines of insurance without increasing its net liability.

Southern Home Is Sold to Undisclosed Principals

The fact that control of the Southern Home of Charleston, S. C., was sold about two months ago by the Globe Underwriters Exchange of New York has just been revealed. The price was \$400,000. The identity of the buyers has not been disclosed. Apparently a feature of the contract was the transaction should not be made public.

The Southern Home was started in 1911 and in 1929 the Globe Underwriters Exchange acquired control of this company and of the Savannah Fire. In 1932 the two companies were merged.

As of Dec. 31, 1932, the Southern Home reported assets \$1,517,872, premium reserve \$334,893, net surplus \$501,582 and capital \$500,000. Net premiums written amounted to \$370,157, losses paid \$347,134, expenses paid \$226,541.

The operations of the Southern Home in California have been managed by Harold O'Brien and Frederick O'Brien, who also have the western department of the Republic of Dallas, which is also controlled by the Globe Underwriters Exchange. In view of the sale of the Southern Home, the O'Briens have ordered discontinuance of the writing of new business for the Southern Home in California.

A. C. Shaffer Retires

A. C. Shaffer, assistant secretary of the North America, is retiring from active service under the company's retirement plan, after nearly 50 years in the business, 33 of which have been spent with the North America. Most of his duties will be delegated to others, although he will still maintain contact with the organization.

His first insurance connection was with the J. C. Alderson & Co. general agency of Wheeling, W. Va., his home city. In 1893 he joined the St. Paul Fire & Marine as special agent covering six states. Seven years later he made a connection with the North America as special agent and assistant manager for that company at Albany, N. Y. Eventually he was made manager at Albany and in 1907 was transferred to the home office in Philadelphia as assistant secretary.

The North America field men of the New York state department presented him with an engraved gold watch as a token of their esteem.

Western Companies Missouri Rally

More than 100 Missouri agents of the Western companies of Fort Scott, Kan., attended the Missouri convention at the Lake of the Ozarks. W. G. Neudorff of St. Joseph won the first prize

in the cities-over-10,000 class with the largest production of new business during the month. Earl Hanan of St. Louis won the second prize. In the second class—smaller towns—Walter Robertson of Marshall won first and Tracy Stahlman of King City second.

Ray B. Duboc, president of the companies, who was the principal speaker, pointed out that Missouri agents had produced more new business in the period than any state for some time.

New Iowa National Official

DES MOINES, July 12.—C. E. Bemman, vice-president of the Mahaska County State Bank, Oskaloosa, Ia., and former state superintendent of banking, has been elected vice-president of the Iowa National Fire, in charge of the investment department.

W. I. Vorys a Director

Webb I. Vorys of Columbus, O., has been elected a director of the Ohio Farmers to fill the vacancy caused by

the death of his father, A. I. Vorys, who was a former insurance superintendent of Ohio. He is a member of the law firm of Vorys, Sater, Seymour & Pease.

New Reference Book Issued

THE NATIONAL UNDERWRITER has just issued its new 1933-1934 volume of the Underwriters Hand-Book of Maryland, Delaware and District of Columbia. This is a complete compendium of insurance information for this important section. It gives information as to agencies, companies, field men, general agents, attorneys, organizations, etc. It is a handy reference guide for all insurance men interested in this particular territory. This is the tenth biennial edition.

Ocasek at Columbus

T. J. Ocasek is now stationed in Columbus for the Underwriters Service Association covering southern Ohio and Tennessee. His address is 931 Bryden Road. He succeeds P. J. Sexton, who has been moved to Indianapolis. Mr. Ocasek has had a long experience with the Underwriters Service as an engineer and in the head office.

Adam Benus, One of the Real Veterans in Fire Insurance

Adam Benus, secretary and treasurer of the Eureka-Security Fire & Marine of Cincinnati, has relinquished the title of treasurer, remaining secretary. He has been with the company over 53 years. The Eureka Fire & Marine started business Sept. 26, 1864, and the Security July 19, 1881. They wrote a combined policy with the Cincinnati Underwriters. The two companies were merged into the Eureka-Security Fire & Marine in February, 1922. It is the oldest stock fire company in Ohio. Mr. Benus was treasurer of the organization for 40 years and secretary for nearly 30 years. He is 73 years of age.

H. A. Krigbaum, who has been secretary-treasurer of the Cincinnati Underwriters Agency Company for the past 10 years, has been elected treasurer of the Eureka-Security F. & M. Mr. Benus is one of the oldest underwriters of the west and has stuck very close to his knitting.

Mr. Krigbaum has been a director of the Eureka-Security for some time. B. G. Dawes, Jr., is president of the Eureka-Security F. & M.

FRIENDLY



— to have a friend is to be one —

WE human beings are constant in a desire to transact our business with *friends*. Other things being equal, we obtain greater satisfaction from cordial business relationships. The "Springfield Group" of Fire Insurance Companies has always endeavored to be friendly. Friendly to the public. Friendly to its policyholders. Friendly to its competitors. Friendly to its agents. Friendly to the American Agency System, and to every organization with ideals fostering a better understanding and an improvement in underwriting practices. That is why you will often hear an agent of one of the companies in the Group proudly state: "I am a member of the good old Springfield Family!"

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SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

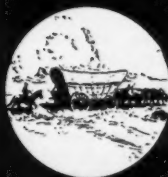
Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance

THE NATIONAL UNDERWRITER

Published every Thursday

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York
PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
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Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies 20 cents. In
Combination with Life Insurance Edition, \$3.50 a year; Canada, \$10.50. Entered as Second-
class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

Workmen's Compensation Conference

THE hearing before a special committee of insurance commissioners in New York City next Tuesday at which workmen's compensation problems will be discussed will be highly important. Superintendent VAN SCHAICK of New York is chairman of the committee. The other members are Commissioners BROWN of Minnesota, BROWN of Massachusetts, GOUGH of New Jersey and PALMER of Illinois. The committee is strong and representative.

Seemingly the solution of problems in this particular class of business has been just as far off as ever. Conferences of companies and conferences of agents or joint conferences have resulted in nothing being accomplished. Apparently the people in the business themselves are helpless in trying to find some satisfactory manner of dealing with this important branch of the business. It is freighted with vital social and human problems.

In the news columns of this issue are presented the topics that the committee has asked to be discussed. Representatives of companies and agents as well as organization people have been invited to participate. The attitude of the men in the business unfortunately has been negative; that is, there have been but few con-

structive, definite proposals set forth. If, forsooth, some procedure was suggested or some program outlined, there would come protests from either company or agency organizations or both, without any suggestion of what might be substituted to better advantage.

Seemingly the commissioners' committee is very serious in its hope that something will be accomplished through this conference that can be brought before the state officials at their December meeting. Unless some program can be worked out, it is our opinion that compensation insurance is headed for federal regulation in some way or other. It is so intimately bound up with the labor interests that a demand will be made on the national government to formulate its own code unless the commissioners can do so. Furthermore there must be some stabilizing influences so that waste can be eliminated and the huge deficit each year be wiped out. Evidently the present plan of writing and handling workmen's compensation insurance has not proved successful. The meeting next Tuesday therefore will be fraught with great interest. It will be highly important to the insurance companies, the agents, the assureds and the employed.

Taxation Burden on Insurance

THE subject of taxation of insurance companies by the states is always a vital one at a time of legislative sessions. We decry the theory of taxing thrift and yet governmental bodies are always seeking additional sources of taxation. It would be idle to try to get the states to reduce insurance taxation. Regardless of the fact that policyholders are indirectly charged with the amount of this tax in their rate, or premium, it does not have the protest that a direct tax has. People will pay a sales tax with better grace than they will a direct tax. The main object of insurance people in our opinion should be not to get taxes reduced but to see to it that they are not increased.

In the beginning when insurance companies were taxed, the purpose was to secure sufficient revenue to meet the expenses of insurance supervision. Now, but a small percentage of the tax money and fees collected from companies is

used for supervisory purposes. A very large amount goes into the general fund.

In his recent annual address before the NATIONAL BOARD OF FIRE UNDERWRITERS, C. W. BAILEY, who was then president, suggested that a slip be attached to a policy advising the holder as to the percentage of the premium represented by taxation. This would follow out the plan adopted by the PULLMAN COMPANY in having on its tickets the amount of the tax going to the government. The Pullman fare is thus broken up, showing the amount paid to the railroad, the amount paid to the government for taxation and the amount retained by the PULLMAN COMPANY. This gives the holder of the ticket an idea of the various coverages in the charge.

Unfortunately insurance companies are singled out for special taxation and thus pay far more than other corporations. This is the injustice complained of.

PERSONAL SIDE OF BUSINESS

Robert S. Critchell II, of Detroit, son of R. Moody Critchell, local agent in that city, who has just graduated from Dartmouth, has established himself in Chicago, connecting with the local agency of Critchell, Miller, Whitney & Barbour, which his grandfather, the late R. S. Critchell, founded in 1868.

It is interesting to note the record of representation of companies in the Critchell agency. The Commercial Union has been represented since 1872, the Springfield and Security of New Haven since 1876, Phoenix of London, 1879; American of New Jersey, 1899, and Camden Fire, 1900.

Mrs. Jennie Sue Daniel, editor of the "American Agency Bulletin," published by the National Association of Insurance Agents, is still confined to her home at 72 Barrow street, New York City, due to illness. Her trouble started with an infection from a scratch and later a nervous malady developed. She will probably take a rest at her brother's home in Atlanta, Ga.

A. L. McCormack, vice-president Crane Insurance Agency and president Fire Underwriters Association of St. Louis and of the Missouri Association of Insurance Agents, is carrying his left hand in a plaster cast these days, having fractured some of the bones in a hand-ball game.

J. K. Coolidge, retiring counsel for the Missouri insurance department and R. G. Barnett, Kansas City, Mo., have formed a law partnership at 1701 Fidelity Bank Building, Kansas City, Mo., and 351 Pierce Building, St. Louis. Mr. Barnett recently was named ancillary receiver in western Missouri for the Royal Union Life.

The Sheffield, Ala., "Standard" presents President Frank N. Julian of the Bankers Fire & Marine of Birmingham and former Alabama insurance superintendent as the ideal representative in Congress from the eighth district in Alabama to succeed Congressman Almon. Mr. Julian is a former editor of the "Standard." He is a favorite in his state and the suggestion of the "Standard" has been well received, not only throughout the eighth district but elsewhere. Mr. Julian has a wide acquaintance in the insurance domain due to his connection with the insurance department and later as a company official.

G. R. Teeson of the Alexandria Insurance Agency, Alexandria, Minn., was married the other day to Miss Blanche Fairfield of Osakis, Minn., in the Episcopal church at Alexandria. The wedding was an afternoon affair. Mr. Teeson is a director of the Minnesota Insurance Federation. He attended the University of Minnesota. He is a past president of the Alexandria Kiwanis Club. The best man at the wedding was O. O. Olson, Mr. Teeson's partner.

A. C. Gilbert of Detroit, state agent of the London & Lancashire group in Michigan, died of a heart attack in a hospital at Ishpeming last Friday. He was making his headquarters at Ishpeming for a number of weeks covering the upper peninsula, and was accompanied by Mrs. Gilbert. He was stricken Thursday, taken to the hospital and died Friday. There were funeral services held in Ishpeming and then the body was taken to Chicago, his old home, where services were held Sunday. Further services were held Monday at Detroit. Agency Superintendent Carl Claussen of the western department attended both the Chicago and Detroit obsequies. The interment was at the old paternal home, Lake Geneva, Wis., where the commitment service was read.

Mr. Gilbert was 61 years of age. He went with the London & Lancashire's western department 43 years ago as a

boy, passed through the various office desks to that of examiner. He was then sent to assist the late State Agent J. W. Hoffman of Kansas City. Some 25 years ago he was made Michigan state agent. He was one of the old guard of the London & Lancashire and held in highest esteem. He had two assistants, W. M. Moeller and E. G. Redemske, who with Mr. Claussen represented the company at the funeral in Detroit. Mr. Gilbert is survived by Mrs. Gilbert. Mr. and Mrs. Gilbert attended the funeral of Western Manager C. E. Dox at Chicago and then motored to the north.

P. A. Gibson, Rhodes scholar from the University of Virginia and son of G. A. Gibson, head of the Richmond local agency of Gibson, Moore & Sutton, who has been studying at Oxford for the last two years, will receive the degree of bachelor of arts from Christ Church College the latter part of this month. Mrs. Gibson has gone over to see him get the degree. Although he is entitled to another year at Oxford, he is returning home to enter the practice of law in his home city.

Roy L. Nicholson, Milwaukee, Wisconsin state agent for the Michigan Fire & Marine, has returned from an eastern trip, attending the Optimist International convention at Washington, D. C., as delegate.

Theodore Richter, veteran Milwaukee local agent, recently celebrated his 70th birthday anniversary. He has been in business in Milwaukee since 1893 and has operated his own agency since 1908.

F. J. Fetter, 69, until recently manager of the Missouri Inspection Bureau, died in Kansas City. He had succeeded his father, W. F. Fetter, as manager of the bureau. He was one of the four men who made the fire insurance rates for Missouri in 1911 and was chairman of the committee which drew up Kansas City's building code in 1922.

Frank S. Rogers, head of Rogers & Field, well known St. Paul general agents, figured recently in the St. Paul "Daily News" in the feature, "St. Paul Personalities," by Col. Jack Moran. The feature gives a good cut of the subject in the center with some of his hobbies and diversions surrounding it. Mr. Rogers' firm covers Minnesota, Wisconsin and North Dakota. He was formerly in the field for the North British & Mercantile.

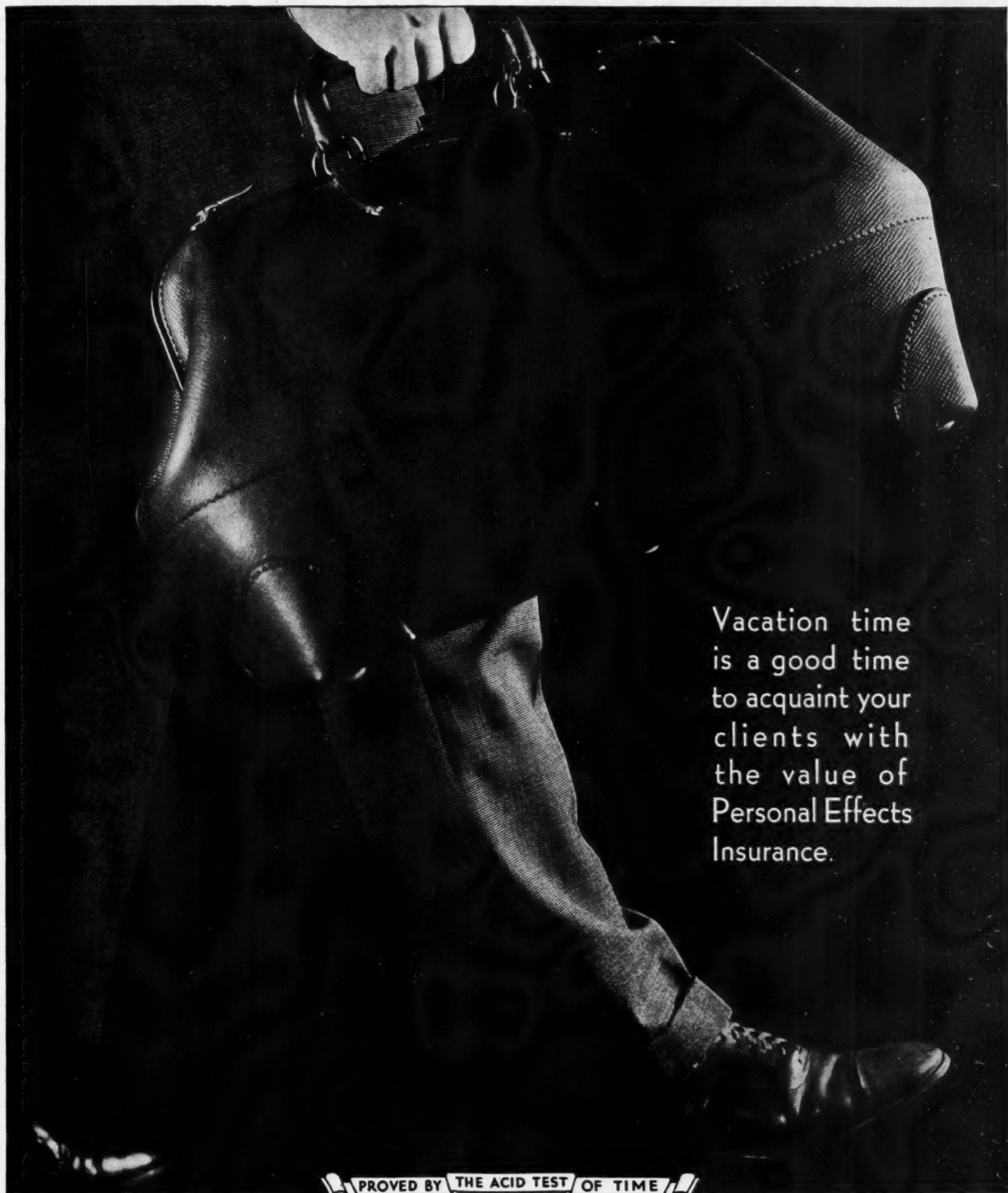
I. Lloyd Greene, vice-president of the Boston and of the Old Colony, has the sympathy of the fraternity in the death of his wife, at the family's summer home at Lake George, N. Y.

George Sammons of the Sammons & Sammons agency, Kentland, Ind., has been appointed judge of the 79th judicial district. In addition to having a large legal practice, this firm operates one of the leading insurance agencies in Kentland.

Sam P. Cochran of the Trezevant & Cochran general agency, Dallas, Tex., recently observed his 50th anniversary as a member of the agency. The agency was established by Mr. Trezevant in 1876, and on July 1, 1883, he was joined by Mr. Cochran, who is still active.

M. G. Jarreau, special agent of the Great American at Dallas, Tex., has been confined to his home under the care of a physician for three weeks, as a result of an infection which followed the removal of his tonsils.

Thomas Hewes, recently appointed Assistant Secretary of the Treasury, is a son of M. Lewin Hewes, for some time chairman of the board of the Standard Fire of Hartford.



Vacation time
is a good time
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clients with
the value of
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NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Potential Danger Is Shown

National Board Engineers Report on the Fire Fighting Facilities of St. Joseph, Mo.

The National Board engineers in reporting on St. Joseph, Mo., say that the water supply works are normally adequate with some items of unreliability. The quantities available in the congested value districts are generally adequate for engine supply. The unsupported small mains limit their supply to some important districts and outlying sections. The fire department is well equipped but is undermanned. There is no fire alarm telegraph system.

The engineers say that in the congested value district, the construction lacking in fire resistive features creates a severe potential hazard. Numerous sprinkler equipments reduce the probability of serious fires, but effective fire breaks or barriers are lacking. Overhead wire obstructions are serious particularly in the alleys. The fire fighting facilities are generally adequate, though having some deficiencies, but on account of the lack of window protection, narrow streets and many large areas, fires could readily involve one or more blocks and endanger large portions of the district.

Minneapolis Non-Boarders Line Up With Association

MINNEAPOLIS, July 12.—Manager P. H. Ware of the Minneapolis Underwriters Association reports that several important agencies here, which have for many years represented non-board companies, have now become members of the association. Among them are A. W. & A. F. Carlton, P. M. Endsley Co. (Minneapolis Savings & Loan Association), R. F. Hooker and Investors Syndicate. Six newly organized agencies have also become members of the association since late in 1932.

The action of the National Union Fire in cancelling its non-board agents and affiliating with the Minneapolis Underwriters Association and the retirement of other non-affiliated companies has clarified the Minneapolis situation, and should result in a reduction in the number of licensed agents.

Green Bay Agency Expands

The Kruger Insurance Agency of Green Bay, Wis., has moved to 106 S. Washington St. The new location is an attractive ground floor store situated at one of the busiest corners. This agency recently purchased the Parmenier Agency which increased considerably the facilities of that office. The agency is under the active management of Mrs. Kruger.

Mutual Is Liable in Tort

The Iowa supreme court has held that a mutual company can be held liable in tort. The case was Mortimer vs. Farmers Mutual Fire & Lightning. The plaintiff sought to recover damages on the ground of negligence of the Farmers Mutual on account of its failure to write and deliver a fire policy on certain household goods. The insurer contends that by reason of its limited rights and powers, under the statute and articles of incorporation, it cannot be held liable in tort. The mutual asserts that the only power pos-

sessed is to levy assessments on its membership to pay losses from casualties such as fire, lightning, etc.

If the statutes were not broad enough to cover this tort liability, the court held that the corporation must respond for its tort the same as any other corporation authorized by statute. The fact that it may be limited in its powers of raising money among its membership and to the application of money when raised, is wholly beside the question. If this were not so, it would be an artificial being which could be free of any act committed in tort and not responsible in any way therefor. The general rule is that a corporation is liable civilly for all torts committed by its servants or agents under its express or implied authority. A corporation can not, in order to escape liability for the wrongful acts of its agents or employees, assert that such acts were beyond the scope of its corporate power or that they occurred in connection with the transaction beyond the scope of such power.

Now Dulaney, Johnston & Priest

Dulaney, Johnston & Priest is the new firm name of the well known Wichita, Kan., agency since the withdrawal of Paul C. Yankey, who was connected with the firm for 17 years, and established the Paul C. Yankey Company July 1. Members of the agency are now W. R. Dulaney, H. R. Johnston, Frank T. Priest, W. J. Baerle, E. C. Beezley and C. J. Slawson. Mr. Yankey has opened his agency in the Fourth National Bank building, representing the North America, Fidelity & Guaranty Fire, Central States Fire and U. S. F. & G.

Heavy Wind and Hail Damage

Both the Western Adjustment and the Underwriters Adjusting opened special headquarters at Elgin, Ill., to take care of the hail and tornado losses throughout that section. All companies have been getting claims galore. Fortunate were those assured who had the hail rider. Hail damage to roofs, siding and windows was very heavy. Some agents clamped the hail rider on every tornado policy and thus were free from any misunderstanding or friction.

St. Paul Losses Lower

ST. PAUL, July 12.—Capt. John Townsend of the insurance patrol estimates fire losses in St. Paul the first six months were \$259,400 compared with \$415,358 for the same period last year.

Collections are slightly better. Many accounts long past due are either being reduced or paid in full. Volume of business, however, is not increasing materially. Crop conditions in this territory are not as favorable as they were a few weeks ago and this is tending to check the improvement in general business.

Record of Convictions

The Ohio fire marshal reports that more convictions were obtained the first six months of this year than in any similar period for the past 15 years. There were 47 convictions as compared with 46 in the same period last year. There were 463 investigations made, 116 persons prosecuted, 25 indictments pending July 1, and 12 cases ready for presentation to fall grand juries.

Kansas City Outing

More than 270 agents turned out for the annual field day of the Kansas City Association of Insurance Agents at

Quivira Lake. All of the offices were closed at noon on the day of the outing, which was featured by golf, swimming, bridge, a banquet and dancing.

L. R. Cooley, Travelers, won the prize for low net score while Bill Mann of R. B. Jones & Sons won the low gross. The blind bogey was won by Bob Busler.

W. R. Martin, southwestern manager of Lloyds of New York, managed the tournament.

Ayers Buys Streator Agency

W. G. Ayers, who was formerly manager of the farm department at the head office of the National Union Fire, has purchased the agency of U. H. Griffin & Son of Streator Ill., and will operate the agency. Since leaving the service of the National Union he has been residing at Decatur, Ill., doing special work. He was formerly Illinois state agent of the Pennsylvania Fire.

Minnesota Date Unsettled

ST. PAUL, July 12.—The date for the annual meeting of the Minnesota Association of Insurance Agents is being held up pending arrangements for speakers. The committee in charge is trying to secure Allan I. Wolff, Chicago chairman executive committee National Association of Insurance Agents, and George W. Lilly, manager Fire Companies Adjustment Bureau, New York. The meeting will be held in Minneapolis, probably in August.

Fire Warden Reinstated

Chief Fire Warden P. E. Barrett of Cleveland, O., former head of the arson squad, has been reinstated by the civil service commission. He was ousted by

Safety Director Adams for refusing to divulge confidential information.

Scanlan South Dakota Deputy

Commissioner W. J. Dawson of South Dakota has named Thomas Scanlan as deputy. He was deputy for four years under Don C. Lewis.

Wichita Agents Honored

C. H. Hatton, Wichita, Kan., local agent and president of Lions International, headed a large delegation to the international meeting in St. Louis this week.

Earl Hutton of the Hutton & Son agency, Wichita, is an official delegate from Midian Shrine Temple of Wichita at the meeting of the Imperial Council in Atlantic City this week.

MIDDLE WEST NOTES

F. W. Martin and his son, F. W. Martin, Jr., have purchased the Norris Agency at Ashtabula, O., formerly owned by W. B. Norris.

Schiff, Terhune & Co., Milwaukee, has been incorporated by R. Hiscox, J. Soevig and L. S. Uecker.

The Meigs & Cope Agency, Milwaukee, has been incorporated by N. Meigs, A. B. Cope, J. G. Meigs.

The Stearns Agency, Milwaukee, has been incorporated by B. Zolm, T. Kramer and H. A. Stearns.

W. B. Stoner has resigned as manager of the insurance department of the St. Joseph Loan & Trust Company, South Bend, Ind., and will operate an independent agency.

Tom Fuller of Wichita, Kan., has purchased the J. D. Wood agency. Only a few months ago Mr. Fuller bought the Fred Horn agency. He has now taken offices in the Fourth National Bank building.

IN THE SOUTHERN STATES

Senff to Confer with Agents

Kentucky Commissioner, Cooperating with Secretary Thieman, Arranges Series of Group Meetings

LOUISVILLE, July 12.—Commissioner G. B. Senff has worked out a plan with Leo E. Thieman, secretary of the Kentucky Association of Insurance Agents and the Louisville Board, whereby a series of agents' group meetings will be held over the state, with Mr. Senff speaking to the agents, asking them for suggestions and offering aid in solving their problems. Open discussions of the round table type will be encouraged, with Mr. Senff and Mr. Thieman as the principal speakers.

First Meeting at Henderson

The first meeting will be at Henderson July 18, with Donald Martin, president of the Henderson Board, and J. E. Manion of Henderson, first vice-president of the state association, in charge. July 19, a noon meeting will be held at Madisonville, with J. C. Riddle, president of the Hopkins County Board and member of the state executive committee in charge of arrangements. That evening a meeting will be held at Hopkinsville in charge of Miss Katie McDaniell; July 20 at Paducah with Dwight Peel of Benton, member of the state executive committee, in charge; July 21, Owensboro, in charge of J. H. McKinney, third vice-president of the state body. Other meetings, all to be held within two months, will be at Covington or Newport, Maysville, Ashland, Winchester, Lexington, Somerset, Danville, Bowling Green and Frankfort, with some

other towns added in order to visit every possible section of the state.

Fort Worth Losses Reduced

FORT WORTH, TEX., July 12.—Fire Chief Ferguson reports fire loss for the first six months of 1933 as \$308,000 as compared to \$411,056 for the same period of 1932. The June loss was \$30,445, against \$65,337 in 1932. Incendiary losses were \$5,200 compared to \$20,000 in June, 1932.

The 6 percent penalty for Fort Worth was cut 3 percent last January and if the present decline in fire losses continues another reduction is expected.

Draft New Birmingham Code

BIRMINGHAM, ALA., July 12.—A committee appointed by President Anglin White is at work drawing up a code of practice with "teeth in it" for the Birmingham Association of Insurance Agents. Members of the committee are John Ebaugh, Charles Van Cornell and James B. Morgan. It is proposed to tighten up the by-laws so as to make membership mean more and clean up any malpractice that may exist in the business.

Seeks Damages from Agent

Two actions have been brought against Henry D. Larcade, Jr., former operator of the Opelousas agency of Opelousas, La., by J. E. Buck, trustee of that agency. The suits were brought in the district court of the parish of St. Landry.

Mr. Buck states that on March 7, 1932, the Opelousas agency was trusted but that Larcade continued to operate the office until May 15, 1933. During that period, Mr. Buck charged

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
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 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

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 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

OF NEW YORK

Organized 1874

NEAL BASSETT, Chairman of Board
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 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

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 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

More Assets Better Assets Greater Liquidity

ANNUAL STATEMENT December 31, 1932

ASSETS	
Cash in Banks.....	\$ 273,447.02
U. S. Bonds and Treasury Notes.....	319,741.00
Other Bonds	236,657.50
Stocks	1,367,555.22
Mortgage Loans	213,780.95
Collateral Loans	86,607.33
Due from Agents and Other Companies (Not over 90 days old).....	269,391.64
Real Estate	186,778.46
Accrued Interest	14,481.66
Other Admitted Assets.....	13,871.64
Total	\$2,982,312.42

LIABILITIES	
Reserve for Unearned Premiums.....	\$ 856,199.06
Reserve for Losses.....	66,366.23
Reserve for Taxes.....	18,000.00
Due to Other Companies.....	28,882.03
Other Liabilities	1,609.78
Cash Capital	1,000,000.00
Net Surplus	1,011,255.32
Total	\$2,982,312.42

All bonds carried at amortized values. All listed stocks carried at market, Dec. 31, 1932. All other stocks carried at values fixed by Texas Insurance Department Examiners.

COMPARISON WITH LAST YEAR

	1931	1932
Net Premiums Written.....	\$ 870,180.02	\$1,052,478.87
Reserve for Unearned Premiums.....	722,544.22	856,199.06
Assets	2,940,492.14	2,982,312.42
Surplus to Policyholders.....	2,017,740.88	2,011,255.32

GULF INSURANCE COMPANY

E. L. FLIPPEN,
President

G. G. SHEERIN,
Vice-Pres.

T. R. MANSFIELD,
V. P. and Sec'y

DALLAS, TEXAS

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PLATE GLASS

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE

ASSURANCE

CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

NEW YORK



Automobile (All Covers)
Fire and Tornado
Public Liability Plate Glass

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Executive Office—Indianapolis, Ind.

A strong, progressive stock company, organized in 1849 and doing business in Indiana and Illinois.

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Chicago Branch Office
A 1504 Insurance Exchange

that Larcade converted to his own use \$1,048 and judgment for this sum is demanded as well as judgment for \$1,932, which Mr. Buck claims represent accounts receivable transferred to the trustee under the agreement but which have not been paid.

On May 15, 1933, Larcade transferred the assets of the agency to Buck, who states that thereafter Larcade became insurance manager of the Opelousas office of Parkerson & Jones of Lafayette. Buck charges that Larcade began to use the expiration data, which had been transferred to Buck. After making demands on Parkerson & Jones, Buck states that Larcade delivered to Buck a file of expiration cards, which are identical with a similar file transferred to Buck by the Opelousas agency. Buck charges that Larcade, however, continued to solicit expirations of the Opelousas agency. Because of this alleged action, Buck seeks \$2,000 judgment from Parkerson & Jones. An injunction is also sought to prohibit Larcade from using any data in his possession affecting policies issued by the Opelousas agency.

Mississippi School Rates Up

JACKSON, MISS., July 12.—The Mississippi state rating bureau has ordered a rate increase on all school property ranging from 50 percent in the larger towns, to as high as 90 percent in Clinton, a suburban town near Jackson. Jackson's rates remain the same, having recently renewed insurance on its schools for three years with stock companies.

The state board of education is up in arms over the proposed increase, and local agents fear that it will result in many of the municipalities dropping their insurance at expiration. Several local agents have been invited to meet with the board of education and discuss the new tariffs with a view of getting the rating bureau to modify its new schedule.

Allow Income Tax Deductions

OKLAHOMA CITY, July 12.—The new income tax bill signed by Governor Murray contains exemptions for insurance companies, despite attempts to eliminate them. Under the new measure the insurance companies can deduct from their income tax the taxes paid upon gross premiums. If the gross pre-

mium tax is in excess of the income tax, it will be in lieu thereof. Mutual companies other than life have their gross income treated in the same manner as other corporations with the deduction for additions to the reserve fund and for premiums returned to policyholders.

Expect Action on Oil Situation

OKLAHOMA CITY, July 12.—Action on the request of Carl Lund, president Oklahoma State Fire Prevention Association, that the National Board make a survey of Oklahoma City oil zones is expected soon. On July 18 the city council is meeting to decide upon requests for permits from oil companies to drill on close-in city property.

It is reported that many fire companies have been cancelling their policies on property in this region and others have practically decided to do so. Residents of the area affected have fought the extension of the drilling operations and a case is now in the courts in which an injunction is being sought to stop pending operations and prevent new locations.

Montgomery Collections Improve

MONTGOMERY, ALA., July 12.—Collections in Montgomery have been much better following the recent campaign inaugurated by the local board. The widest publicity was given by the board and stickers were placed on all policies, advising patrons that premiums should be paid by the 15th of the month following issuance of the policy. Practically every underwriter declared that splendid results had been obtained and still better were expected as the public became educated regarding the importance of speedier remittances.

Alabama Department Changes

MONTGOMERY, ALA., July 12.—F. M. Philippi, who has served as deputy superintendent of Alabama since early in 1931, has resigned to become vice-president and actuary of the Southeastern Life of South Carolina.

F. H. Spears, who was at the head of the compensation division for more than two years, has been advanced to deputy superintendent. He is an insurance man of many years' experience. He is succeeded by Dan Munn of Birmingham, who has had seven years' experience in compensation work.

PACIFIC COAST AND MOUNTAIN

Delinquency Doubles Fine

California Agents and Brokers Caught Where They Have Postponed Getting Licenses

SAN FRANCISCO, July 12.—Phraseology in the amended agents and brokers qualification law of California makes the penalty upon agent or broker failing to obtain a renewal license before July 31 double the original intent of the drafters of the amendments, according to insurance authorities in San Francisco. It is understood the insurance department will stand to the exact wording and compel the delinquent to pay a penalty amounting to double the original fee in addition to the fee specified.

Agents therefore, who fail to apply for renewal before July 31 will be compelled to pay the fee of \$2 and the penalty of \$4 additional. Brokers will be compelled to pay the original renewal fee of \$5 plus \$10 penalty. As thousands of agents and brokers have been dilatory in past years in obtaining renewals without penalty the new law is expected to catch many of the unwary. Special agents have been advised to warn agents of the situation.

Delegation of Legislative Power

Held that this court cannot think Section 6 of the Article XV of the state

constitution gives authority to the legislature to delegate to the corporation commission its power to change the form of the New York standard policy, or the endorsements thereon, as the commission may see fit. If the commission possesses that power it means it may alter the New York standard form until it is no longer recognizable. The mortgagee clause attached to the policies is null and void and the provision therein requiring the mortgagee to give notice to the insurance companies of the bringing of the suit to foreclose the mortgage is void and without legal effect. *Wylie v. Phoenix Assurance. Ariz. Sup. Ct.*

Krueger Joins Company Bureau

DENVER, July 12.—C. W. Krueger, independent adjuster of this city, has been appointed manager of the Albuquerque, N. M., branch of the Fire Companies Adjustment Bureau to succeed G. A. Olson, who died recently. Mr. Krueger has been in the adjust-

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AND SAFETY CANS

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JUSTRITE MANUFACTURING COMPANY
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ment business since 1921, except for a short period, and was associated with the late C. F. Wilson in that work for a number of years. For more than 20 years he was with the New Hampshire Fire, starting with that company in the home office. Later he served as coast manager, as resident manager for Milwaukee and adjacent territory, and traveled several middle west states, including Colorado.

Sheridan, Wyo., Agent Gets Prize

C. V. Davis of Sheridan, Wyo., received the prize of a block of 10 entrance tickets to the Century of Progress Exposition given by the Chicago Board this week for the winner in the reservation count for the National Association of Insurance Agents convention to be held in Chicago the week of Oct. 9.

New Los Angeles General Agency

The National Underwriters, Inc., a general agency representing the Duquesne Fire & Marine, San Francisco Underwriters and Madison of Indiana, has been organized at Los Angeles. The new agency is composed of H. S. Hallner, L. M. Raab, and B. L. Sampson, all experienced insurance men. Offices have been opened at 302 Lane Mortgage building.

Bennett a Wyoming Speaker

Secretary W. H. Bennett of the National Association of Insurance Agents will be the chief speaker at the meeting of the Wyoming association at Casper, July 28-29.

Denver Dinner for Woods

DENVER, July 12.—At the dinner in honor of R. G. Woods, who has retired from the service of the Automobile Protective & Information Bureau after acting as its special agent for a number of years, H. P. Ruthenberg, special agent in the arson department of the National Board, was toastmaster. Other speakers included Frederic Williams, secretary Rocky Mountain Fire Underwriters Association; H. A. Amonette, president Direct Reporting Fieldmen's Association; L. A. Barley, chief engineer Mountain States Inspection Bureau;

Clarence Cobb, Cobb & Stebbins general agency; George Webster, manager mountain department Fire Companies' Adjustment Bureau; L. Allen Beck, president Mountain Field Club; S. C. Becker, chief of the state auto theft bureau, F. L. Henkel, state agent Underwriters Salvage Co., and Roy Sampson, insurance and adjustment attorney.

Bennett to Visit San Francisco

SAN FRANCISCO, July 12.—Walter H. Bennett, secretary National Association of Insurance Agents, will be here next month after a meeting of the Washington Insurance Agents League. Aug. 16 he will speak at an insurance mass meeting in Oakland under the auspices of the East Bay Association of Insurance Agents.

Establish Inspection Service

DENVER, July 12.—The Rocky Mountain Reporters, Inc., has been established here to supply an inspection and reporting service. It will specialize in the preparation of underwriting reports, giving close attention to financial statements, general commercial reports and surveys of physical condition.

License for Each Company

SALT LAKE CITY, July 12.—Commissioner E. A. Smith, Jr., has ruled that from now on every agent must have a license for the particular company underwriting the risk. The commissioner said that in the past it has been more or less a custom in the state for a fire agent, for example, to write accident, health or casualty risks without being the recognized agent of the company taking the risk. He believes the new rule will result in a stricter control of the business and better qualified agents.

Coast Notes

H. L. Simpson, associate manager Great American and Phoenix of Hartford groups, with headquarters in San Francisco, has returned to his offices following a trip east.

H. A. Wildhack, Meeker, Colo., who has been an agent there for the Fireman's Fund for 48 years, has been compelled to retire on account of the loss of his eyesight.

EASTERN STATES ACTIVITIES

Lowell Rate Increase Likely

New England Exchange Directed to Make Survey There, Due to Dilapidated Buildings

BOSTON, July 12.—Leading fire companies, following the near conflagration in Lowell June 25, when only the combined efforts of departments from 15 cities and towns prevented what might have been one of the major disasters of the year, keeping the loss to within \$200,000, have ordered the New England Insurance Exchange to make a survey of local conditions in that city, especially with regard to some 360 dilapidated buildings in the congested value district, which, according to Assistant Secretary B. M. Hermes of the exchange, make the community "the greatest conflagration hazard in Massachusetts."

The survey has been begun and while no definite statement was made to the Lowell Planning Board before which Mr. Hermes appeared the past week, it was plainly pointed out that fire rates were due for a most substantial increase in that city.

"A dilapidated building is not solely a menace in itself," said Secretary Hermes, "but also a menace to adjacent property. The fire insurance companies take this into consideration and even a 'no risk property' that has the misfortune of being near a 'great risk' must carry part of the extra hazard imposed

on the latter. A property within ten feet of a dilapidated building may have up to a 100 per cent increase in its rate.

"Lowell contributes in a major part to Massachusetts' paying 76 cents of every dollar of premium as fire damage. The exchange has been instructed to consider seriously the Lowell insurance rating. Something must be done to better conditions here. The best procedure is to remove all the dilapidated buildings that are of no use, only eyesores and moral risks, in the possibility of their being set on fire by the owner or neighbors to get rid of them. Their removal is the only means of avoiding an increased rate for even the improvement of the fire department equipment and the addition of men to the department would but very slightly affect the rate."

Bars Cancellation Before Finding If Premium Paid

Deputy Commissioner Justice of West Virginia has issued a ruling prohibiting companies from canceling their entire liability in an agency, or any considerable portion of it, without first determining whether the policyholders have paid their premium either in whole or in part to the agents. The cancellation notices of policies on which the premium has been paid in whole or in part shall be accompanied with the full return premium.

Mr. Justice states that numerous

ATTENTION ! agents in !

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IOWA OKLAHOMA
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YOUR assureds receive a credit in the rate on farm buildings if equipped with the patented National Spark Arresters. Pass this saving on to your clients and give them modern fire protection from damaging chimney sparks.

National Spark Arresters, approved by the Farm Underwriters Association, effectively prevent fires from chimney sparks. They cost but little and fit every size and style of chimney.

Here is an excellent way to save money for your company and your assureds and create good-will. Write for information regarding credit allowance, description and net price.

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1794 1933

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Annual Statement January 1, 1933

Reserve for Unearned Premiums	\$1,876,876.24
Reserve for Losses, etc.	545,856.36
Contingency Reserve	1,650,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,104,342.43
TOTAL ASSETS	\$6,177,075.03
SURPLUS TO POLICYHOLDERS...	\$2,104,342.43

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Prompt, experienced attention rendered in-
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ADJUSTMENT COMPANY
Automobile—Fire, Theft, Collision,
Conversion, Liability, Property Damage
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cases have been brought to his atten-
tion whereby a company has canceled
its outstanding liability in an agency
for the purpose of applying return pre-
mium credit to balances due the com-
pany from the agent. The company
has made such cancellations without
first determining which of their policy-
holders have paid their premiums,
either in part or in full to the agent.
Such companies have in some cases re-
fused to pay the policyholder the
amount due him as an unearned pre-
mium and in other cases have not ten-
dered payment of the unearned pre-
mium due the policyholders until de-
mand was made or complaint filed with
the department and the matter taken
up with the company.

Pennsylvania Agents Meeting

The annual meeting of the Pennsylv-
ania Association of Insurance Agents
will be held at the William Penn hotel,
Pittsburgh, Oct. 5-6.

Eastern Notes

The Eastern Underwriters, Union City,
N. J., has been incorporated.

J. R. Rogers has resigned as internal
revenue collector for northern New Jer-
sey to devote his entire time to his in-
surance agency in Newark.

G. H. Weston, head of the agency
bearing his name at Port Henry, N. Y.,
died after a lengthy illness. He had
been in the business for 25 years, for
20 years being the head of his own
agency.

Control of State of Pa. Litigated

(CONTINUED FROM PAGE 3)

the deal be approved are shown in the
application, thus:

Cash distributable by Golden Hill to its stockholders.	
Proceeds from sale of State stock	
6,357 shares @	
\$165 per share	\$1,048,905
Deduct loan payable.....	185,000
Net proceeds available for	
distribution.....	\$ 863,905
Globe.....95% \$820,709.75	
Stuyvesant &	
State.....5%	43,905.00
	\$863,905.00

As against the \$820,709 paid or pay-
able to the Globe, the Globe would be
required to pay out approximately
\$720,000 reinsurance premium to the
American to be relieved of an unearned
premium liability of approximately \$1,-
200,000 and would thus have approxi-
mately \$100,000 in cash left. The
Globe's resources would be increased by
approximately \$180,000 representing the
difference between an unearned pre-
mium liability of \$1,200,000 estimated
and \$720,000 estimated, paid to obtain
a release from this liability.

In addition the Globe would be dis-
posing of a non-liquid, non-dividend
paying asset, to wit, 6,357 shares of
State stock.

While the insurance department
seemed to favor the negotiations when
initiated, the subsequent advance in the
security market induced a change in its
attitude and at the hearing counsel on
its behalf opposed the sale, as did coun-
sel for E. C. Jameson, J. H. Mulvehill
and J. D. Lester, directors of the Gol-
den Hill Co.

Commissioner Armstrong of Penn-
sylvania has endorsed the proposal to
sell the State of Pennsylvania to the
American of Newark. In a letter to
Superintendent Van Schaick of New
York, which was made public when
hearings were held on the proposed
transaction, Mr. Armstrong stated it
is of vital interest to the State of Penn-
sylvania that its relationship with the
Globe & Rutgers be severed as expedi-
tiously as possible.

Guy R. Ferris of the Durham & Farr
agency, Conway, Ark., and former presi-
dent of the Arkansas Association of In-
surance Agents, is recovering from fr-
acture of his left leg, sustained in a soft-
ball game.

Mid-Year Figures Awaited Eagerly

(CONTINUED FROM PAGE 3)

During the latest session of the New
York legislature two department mea-
sures, requiring the investment of 70 per-
cent of companies' unearned and loss re-
serves to be invested in bonds were
considered. Neither measure, however,
was enacted owing to the opposition of
companies.

Among other gratifying features of
the steady and substantial increase in
the market is the assurance given that
all companies have profited to such ex-
tent as to guarantee their continued ex-
istence, setting at rest the talk of pros-
pective retirements, mergers and rein-
surances so prevalent earlier in the year.
Incidentally, it has removed a heavy
burden from the departments charged
with passing upon the financial sound-
ness of the companies.

Current Balances O. K.; Old Ones Bad

(CONTINUED FROM PAGE 1)

sharply to account, may believe that
the field men do not mean business and
he can pursue his old course with im-
punity.

Some executives believe that there is
too much passing of the buck in con-
nection with committee work. They
feel that in each trusted agency, the
responsibility should fall upon and
should be assumed actively by the
chairman of the committee. The sug-
gestion is made that the chairman
should visit the agency at least once
a month, make a real survey and if
the agent is falling behind, call a meet-
ing promptly.

One objection cited is that the field
man would not have time to visit the
trusted agencies of which he is chair-
man once a month and that his route
would be interrupted. Those in favor

of the plan contend, however, that if
every chairman would visit every one
of his trusted agencies once a month
the field would be thoroughly covered.

Some of the arrangements in the past
few months were designed undoubt-
edly by field men who were optimistic
about the prospect of improvement in
general conditions. Their optimism
seems now to be justified, but the im-
provement did not arrive in many cases
as soon as was anticipated. Therefore,
in some trusteeships the agent may
have been put under the obligation of
liquidating his old balances more rap-
idly than was possible.

Coinurance and Appraisals Clash

(CONTINUED FROM PAGE 1)

winced at the term "guaranteed values."
They favor the idea of arriving at a
guaranteed value and then undertaking
to pay the assured the actual cash value
in the event of loss. This would involve
the responsibility of checking up on as-
sureds as values increase to get them to
increase their line. The factory mutual
companies are doing this at the present
time. They are scanning their assureds
and writing to those in industries, which
are enjoying prosperity and are suggest-
ing that more insurance be carried.
Whether this suggestion amounts to a
command is not known but it may be
assumed that the factory mutuals would
not permit an assured to remain greatly
underinsured.

If such a system should develop
among stock fire insurance companies,
much additional work and attention
would be involved, but those who favor
the procedure say that such service is
not too much to give.

The following Ohio agencies have in-
corporated: Earl G. Smith, Inc., Akron,
by Earl G. Smith, T. M. Powers and
P. H. Taylor; Akron Insurance Service,
Akron, by E. J. Kaufman, Lola Code
and H. W. Benny, and Improved Risk
Mutual Insurance Co., Delaware, Ohio,
by A. S. Conklin.

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This corporation reports on the underwriting aspects of heavy manufac-
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The National Underwriter

July 13, 1933

CASUALTY AND SURETY SECTION

Page Nineteen

Six Months Show Same Experience

Workmen's Compensation Conditions Continue on the Same General Level

PREMIUMS STILL DOWN

Not Much Improvement Is Noticed in Accident Frequency and Claim Ratio

Statisticians delving into the records of compensation insurance declare that the experience the first six months of this year reflects about the same condition as found in 1932. The reduction in number of people employed has had a very material effect on premium income. For instance, in 1931 the stock companies' net compensation premiums were \$135,487,547. Last year they were \$100,707,123. The mutual compensation premiums in 1931 were \$40,175,779 and last year were \$31,367,886. There was a sharp reduction in premium income which naturally had an effect on the expense and claim ratios as the accident frequency kept at full speed and the amount per claim increased. The claim ratio for the stock companies in 1931 was 83.3 and last year was 95.1 percent. The mutuals' ratio in 1931 was 77 percent and last year 81.9 percent. Some companies are inclined to believe that there has been an improvement in accident frequency although the records at large do not indicate that there is a material reform in this direction.

Inspection Work Kept Up

So far as the inspection departments of companies are concerned, while salaries have been decreased the work has continued even more diligently in many respects than heretofore because the companies were anxious to check up on risks so that they could get off those that had obvious hazards that were not being corrected. The assureds have been urged to improve risks so that the injury hazard would be decreased.

The stock companies last year lost in the neighborhood of 18 percent on their compensation underwriting. That ratio seems to be maintained so far in 1933. There have been some increases in rates but they have been offset by decline in premium income and other factors.

Little Encouragement Seen

There is little encouragement in this line of casualty insurance. It is still one of the big problems of the business. Companies are underwriting it carefully and endeavoring to dodge risks that promise a high loss ratio. The handling of small premium risks is very expensive and companies do not like them. The mutuals are far more selective in their business because most of them are non-agency and therefore figure on a comfortable premium return from each assured. The fact that the mutuals do not

London Lloyds Activity in Bank Field Attacked

NEW YORK, July 12.—Since the adjournment of the Senate banking committee in Washington Attorney Pecora returning to New York has started an investigation of certain New York City banks with the help of assistants for material to be used at fall sessions. It is understood that inquiry into London Lloyds blanket bond coverage held by these banks will form part of this inquiry.

NEW YORK, July 12.—Considerable interest has been aroused among surety company officials over the attack made in Congress by Congressman J. J. O'Connor of New York in which he called attention to the fact that certain banking institutions have received help from the R. F. C. and then placed their bonds with London Lloyds. He named 11 New York City banking houses that had their bonds placed with London Lloyds, showing that the gross premiums amounted to \$1,020,000. He stated that there is no provision in New York for the admission of London Lloyds. He declared that London Lloyds being unlicensed and a non-tax paying carrier has a distinct advantage in competition with regularly licensed companies.

Operations Being Extended

The fact that London Lloyds is dealing with New York concerns has aroused the surety companies and undoubtedly a further investigation will be pursued when Congress meets again.

Recent efforts have been made to extend London Lloyds competition to large business houses requiring surety bonds. For instance, R. H. Macy & Co., one of this city's largest department stores, did not renew its policy with the Fidelity & Casualty calling for a \$33,000 premium and according to report has taken a London Lloyds' contract with a premium of \$24,700. Another big line that was not renewed covered J. S. Bache Company, a leading stock exchange firm here, in the United States Fidelity & Guaranty. It carried a \$43,000 premium. It is stated that the Bache house was able to secure a Lloyds' contract for \$28,000. This case has attracted unusual interest because the U. S. F. & G. paid \$500,000 on a theft loss to the Bache house.

Underground Road Established

Naturally London Lloyds cannot deal with any of these concerns through any resident of New York. Negotiations for the most part are conducted through Montreal. It is said that London Lloyds is now negotiating with banks in New

have to carry small risks favors materially both the expense and claim ratios.

Some companies would give up compensation entirely were it not for the effect on an agency plant. All companies demand the collateral lines if compensation is written for an assured. There are very few risks that a company takes for compensation alone. Agents are urged to get other insurance from a policyholder in order to offset the bad effects of compensation.

Jersey. Aside from Michigan, there is no other state that has been able to secure legislation imposing a penalty on banks or other institutions dealing with non-admitted carriers. A bill in the New York legislature imposed a tax of 20 percent on all premiums paid to unauthorized concerns but it did not get through. Strange to say, the insurance committee of the American Bankers Association lobbied against this bill. Seemingly the A. B. A. favors Lloyds to the detriment of regular admitted, tax paying companies.

Surprised at Attitude

Companies are rather surprised at the attitude of the American Bankers Association. One surety company has a photostatic copy of a letter written on A. B. A. stationery sent a prominent banker here and signed by a high official referring to the enclosure of a sample blanket bond, the "Hanc" form, and pointing out its advantages, it being issued by Lloyds.

The extraordinary powers now vested in Superintendent Van Schaick, of the New York department, in the opinion of many thoughtful underwriters, give him an opportunity to take drastic action against those who surreptitiously solicit business for Lloyds. It is believed that the investigation now being quietly made may result in a lessening of such activities by some prominent insurance brokerage firms. No broker ever admits that he deals with Lloyds but the names of many who do are well known. Such brokers tell their customers to deal direct with Hayden & Co. of Montreal in the manner advised by the brokers. The only outward and visible sign of the broker's connection with the matter is his check for the commission involved.

Could Run Down Offenders

If the insurance department could coordinate its efforts with the banking department it would be an easy task to establish the facts about these bank transactions but there is no love lost between these two state departments and no help is obtainable. F. Robertson Jones of the Association of Casualty & Surety Executives is understood to take the position that a lack of funds for the purpose makes it impossible to counteract the active opposition of the American Bankers Association's insurance committee to any remedial legislation and that his action on behalf of such measures must therefore be somewhat perfunctory. It is believed however that the growing importance of Lloyds competition is such that steps will shortly be taken by the companies interested towards correcting the present situation.

Minton Is Cleveland Manager

Fred H. Minton, who has been manager of the Metropolitan Casualty and Commercial Casualty at Columbus, O., has been made manager at Cleveland. He succeeds W. J. Donovan, who recently resigned.

To Survey Field of Compensation

Van Schaick Calls Meeting of Subcommittee for July 18

LEADERS TO BE HEARD

Purpose Is to Discuss Whether Rates Properly Made, Applied and Whether Business Economically Managed

NEW YORK, July 12.—As chairman of the special sub-committee of the committee on workmen's compensation insurance of the National Convention of Insurance Commissioners, Superintendent Van Schaick of New York has called a meeting of the body at the offices of the department in this city, July 18. The associate members of the committee are: Palmer, Illinois; Brown, Massachusetts; Brown, Minnesota, and Gough, New Jersey. The broad purpose of the gathering is to study the main problems of the business, particularly as "to whether rates are properly made and applied and whether the business is economically and efficiently managed."

The following set of questions has been drawn up to serve as the basis of discussion:

1. Are rates properly made? As to unit of derivation; as to classification; as to industry groups; as to expense loading; as to size of risk; as to loss constant; as to expense constant; from earned exposure. Should interest factor be deducted from development of tabular reserves?

2. Are rates properly applied? To full, true payrolls; to correctly classified payrolls. Should merit rating be retrospective? What loss results from free insurance and credit evils, viz., difference between earned and collected premiums.

3. Is business economically and efficiently managed? Are commissions scaled to service and performance? Are claim expenses reasonable and warranted? Is full advantage taken of cooperative agencies? Is administration cost at a minimum consonant with efficiency? Is engineering service duplicated? Can clerical work be reduced?

To aid in the general discussions it is understood J. A. Beha, general manager, and William Leslie, associate general manager of the National Bureau of Casualty & Surety Underwriters; W. F. Roeder, general manager National Council; C. W. Hobbs, representative of the National Convention to the National Council; L. S. Senior, general manager Compensation Insurance Rating Board of New York; Wade Fetzner, vice-chairman of the Fidelity & Casualty; representatives of mutual companies and perhaps others having definite views as to the issues to be taken up, will be invited to attend prepared

(CONTINUED ON LAST PAGE)

Suggestions as to Summer Plate Glass Production

J. W. MARDEN GIVES IDEAS

This Is the Season to Begin Solicitation, Says Head of N. Y. Plate Glass Service Bureau

J. W. Marden, manager of the New York Plate Glass Service Bureau, offers some suggestions as to production of plate glass business in the summer. Although the high production months are May and October, which coincide with the leasing and rental seasons, Mr. Marden said that summer is the time to begin. Measurements can be made with greater accuracy and leisure and the needs of subscribers better anticipated. New building projects and alterations which are under way for completion for fall occupancy as well as new business enterprise plans give promise of considerable business.

Mr. Marden said the "American Glass Review" reports higher levels of activity that have been seen since the fall of 1931 in the glass manufacturing industry. Several container plants will reach peak production the last week of this month. Plans have been made for a climbing output in the flat glass field.

Many New Uses for Glass

Mr. Marden points out that research laboratories daily find new uses for glass. For instance, there is bullet-proof glass, window glass which permits the passage of ultra violet rays, tinted glass used in walls, ceilings and floors, laminated, non-shatterable glass in automobiles and banks, mirrors are being used to a greater extent for ornamental purposes in stores, theaters and houses; carved, mitre cut surface, chipped, embossed, etched, prism, wired, polished and rough surface, carara and black glass, opalite, vitrolite and a multitude of pressed patterns such as florentine, syenite, moss, maze, tapestry, factrolite, pentecor, ribbed, romanesque, rippled, imperial, apex, muranese and many other kinds of glass are used in building construction, furniture, cabinet and show-case equipment.

As business conditions improve, Mr. Marden states, glass will form an increasingly important part of the construction and decorative scheme, and the opportunity for substantially increasing the plate glass insurance business will again be opened up.

Insurance Securities Report

NEW ORLEANS, July 12.—Receivers for the Insurance Securities Company, holding company of the Union Indemnity group, have filed a statement for the period from April 1 through June 30, showing receipts of \$101,187 and disbursements of \$101,212. The largest item in the receipts was \$100,000 from the Reconstruction Finance Corporation realized from the sale of stock of the Detroit Life, which was taken over by the R. F. C. A similar amount was paid to the R. F. C. on a loan of the Union Title Guarantee Company, a Union Indemnity subsidiary.

Los Angeles Adjusters Elect

Bert J. Hull, Los Angeles claims superintendent for the Globe Indemnity, was elected president of the Casualty Adjusters' Association of Southern California at the annual meeting. C. E. Lewis, Commercial and Metropolitan Casualty, was elected vice-president and B. T. Sheppard, Hartford Accident, was reelected secretary-treasurer. Retiring officers were Roy Rice, American Automobile, president, and F. C. Frazier, independent adjuster, vice-president.

C. W. Phillips, Logan, W. Va., has been appointed district field superintendent at Beckley, W. Va., by the Kentucky Central Life & Accident.

Rates Increased on Large Glass Plates in Chicago

The National Bureau of Casualty & Surety Underwriters promulgated plate glass rate changes for Cook County, Ill., effective July 10. An additional classification has been created for which the rate is sharply higher. This classification includes all semi-exterior and exterior grade floor and basement plates containing 50 square feet or more. The rates for these plates are 40 percent greater than manual in zone 1. Heretofore these plates were included in a classification which took a rate 15 percent less than manual in zone 1.

In zone 2, these plates comprising the new classification take a rate of 10 percent less than manual, whereas in that zone heretofore they have been rated at 45 percent less than manual.

This type of plate has been the target of most of the malicious breakage. One theory has been that some unscrupulous glass workers had been breaking these large plates to create work.

The rates for the other classifications remain the same. That is, all plates containing less than 50 square feet in zone 1 take a rate of 20 percent less than manual and all other plates, besides those in the special classification, containing 50 square feet or more take a rate less 15 percent.

In zone 2, all plates containing less than 50 square feet take a rate less 55 percent and all other plates containing 50 square feet or more, less 45 percent.

A new rule has been adopted for Cook County effective Dec. 1, 1932, providing that a policy covering a mercantile risk shall not be written for a term more than one year except that such a policy may be extended to cover for not more than six months of the ensuing year at pro rata of the annual premium. The premium for policies for a term of less than one year must be computed at the customary annual short rate.

Death of Fitzhugh Burns

ST. PAUL, MINN., July 12.—Fitzhugh Burns, for many years one of the leading surety men in the Twin Cities, died July 10 at the U. S. Veterans' hospital. He had been ill several months. Mr. Burns was associated with his brother, R. A. Burns, in a general insurance agency here. Fitzhugh Burns was trained for the legal profession but after a few years practice he engaged in the bonding business and had been in that line for 20 years. He was 62 years old.

Unprofitable Truck Fleets Changed to Desirable Risks

PHILADELPHIA, July 12.—Some Philadelphia agents have evolved a successful plan for turning unprofitable truck and bus fleets into desirable business, by means of education, and giving the agent a free hand in dealing with the drivers.

The method was put into operation first by a prominent agency here, which carried the insurance on the truck fleet of one of the largest publishing houses in the country. The trucks are electric ones which lumber along at around ten miles an hour. Offhand, it would appear that the loss ratio on these trucks would be very low, but the reverse was the case.

The company doubled the rate and the agent called on one of the vice-presidents of the publishing house, showing him the experience card, which indicated a tremendous loss ratio. He explained that that was why the rate had to be doubled. The assured told him he thought the insurance company was right in increasing the rate.

Then the agent said that if the publishing house would give him full power in dealing with the drivers, he would lower

R. F. C. Issues Regulations for Buying Insurance Stock

SOUND NET WORTH IS BASIS

Must Show Earning Capacity Sufficient to Pay 5 Percent Dividends on Preferred Stock

WASHINGTON, July 12.—Regulations governing the purchase of preferred stock in insurance companies under legislation passed by the last Congress have been just issued by the Reconstruction Finance Corporation.

Applications under the act, which places a limit of \$50,000,000 on the total of such subscriptions or loans will be received by any R. F. C. loan agency or the Washington office. Subscriptions to preferred stock may be made only to companies with unimpaired capital structure or new capital, subordinate to the preferred stock or capital notes, equal in amount to the proposed subscription or purchase. Loans on preferred stock may be made when adequately secured by such stock or notes or other forms of security. Sound net worth of the applicants will govern the amount of subscriptions or loans. Present market values on securities and sound values on mortgages will be used in all appraisals. Compromising of liabilities or subordination of funds will be permitted only in conformity with statutory authority and the unqualified approval of supervisory authorities.

Salary Limit Is Placed

In conformity with the act of Congress, annual salaries of all officers, directors or employees of applicant companies must be within the \$17,500 limitation. The regulations also provide that no compensation shall be increased for any stock, notes, bonds or debentures issued for capital purposes be retired while any such securities are held by the corporation.

Another provision of the regulations is that the applicants must show an earning capacity sufficient to pay dividends on preferred stock at the rate of 5 percent for five years and 6 percent thereafter. Loans on adequate security may be made to individuals, firms, or corporations, desiring to purchase the preferred stock or capital notes of insurance companies.

Death of E. D. Givens

E. D. Givens of Huntsberger-Givens Company, general agent of the Aetna Life companies for casualty and surety in Montana, died in Great Falls last Saturday after a long illness. He was president of the Real Estate & Insurance Board of Great Falls. He entered the business as an agent at Kalispell, Mont., and in 1915 went to Great Falls, being associated with W. W. Huntsberger.

Barred from U. S. Courts

NEW YORK, July 12.—Under a ruling of Federal Judge Woolsey the Concord Casualty & Surety of this city has been barred from writing bail bonds in United States district courts for three years, the penalty being imposed for the company's having produced impostors in court instead of real defendants when cases were called for trial.

the loss ratio and have the rate cut. This permission was given. The drivers were given educational talks and instruction in careful driving. A check was made on the drivers and all found disobeying instructions were summarily dismissed.

At the end of one year, the agent had secured a 50 percent reduction in premium. The end of the second year found the assured paying 10 percent less than the original premium.

More Protection Required in the Smaller Sections

NEW RULES PUT IN EFFECT

Primary Bank Robbery Insurance Will Be Hereafter Written Under Greater Safeguards

The National Bureau of Casualty & Surety Underwriters announces that after July 15 primary bank robbery insurance for banks in towns of less than 25,000 population in 23 states will thereafter require 85 percent of the money insured against loss to be kept in vaults, safes, chests or similar receptacles under time locks. The ruling applies to Alabama, Arizona, Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin.

Exceptions Are Given

The ruling does not apply to (1) policies covering securities only; (2) banks in towns of 25,000 population or more and having a working force of not less than five persons; (3) banks having approved robbery tear gas systems, bandit resisting enclosures or bandit barriers certificated by Underwriters Laboratories; (4) policies written with the \$10,000 deductible endorsement and (5) policies written excess over blanket bonds or all risk policies of \$10,000 or more.

Whenever the time locked receptacle is opened two guards or employees equipped with loaded firearms must be stationed at each unlocked entrance door, according to the ruling. Money unexpectedly received by the bank must be placed under the protection of a combination lock within fifteen minutes after receipt and then at the earliest opportunity under a time lock.

Extended insurance for an additional premium may be issued to banks which want to increase the 15 percent limitation.

For a number of years small town banks have been the target for holdups and robberies. Large sums of money have been taken and in most cases the money and securities have been unprotected.

Beha on Home Loan Committee

J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, has been named by Governor Lehman of New York a member of the committee to deal with the home owner problem and its relation to the federal loan act.

Carrying Passengers for Pay

The employer had impliedly permitted the employee to use his car to some extent, at least, for his private purposes. There is no evidence tending to show that the car had been used for "the carrying of passengers for a consideration" on any occasion except on the trip on which the plaintiff was injured. The policy in express terms excludes from the risks assumed by the insurer liability for injuries inflicted by the owner or operator of the car covered, while it is rented or is being used for "the carrying of passengers for a consideration." Held that wherever the facts are such that the operator of the car has cast upon him the duties and high degree of care that a person carrying another for compensation owes to the person so carried, the risk of liability for injuries arising from the negligence of the operator is excepted from the coverage by the provisions here under consideration. *Cartos v. Hartford Accident & Indemnity Co.* Va. Sup. Ct. of Appeals.

Agent Standing Loss of Unearned Premium Barred

RULING IN PENNSYLVANIA

Much Mooted Question Clarified—Held Morally Commendable but It Is Violation of Law

HARRISBURG, PA., July 12.—An agent or broker rewriting a risk in a failed company in another company without collecting a new premium from the assured is violating the anti-rebate laws, according to a ruling by H. D. Saylor, deputy attorney-general of Pennsylvania.

Commissioner Armstrong had asked for the ruling because of the prevalent practice of agents and brokers replacing policies of insolvent companies in order to keep their clients' good will. Although the agents may be held to be advancing out of their own funds the amount of premium on the assumption that they will recover the unearned premium on the original policy from the company in receivership when it is liquidated, it is not likely that such a company will pay claims in full.

Considers Another Argument

Mr. Saylor also considered the possibilities of applying the anti-rebate law only to new policies and that by replacing policies of failed companies the agent is not offering an inducement to secure business because he already has obtained the order to write policies. "They are, however, offering inducements in connection with insurance in that they are advancing their own funds to retain their clientele by reinsuring their risks in going concerns. They are allowing a rebate of the premium or of a part thereof when they secure and pay for a new policy of insurance and fail to charge or collect a premium therefor."

Pennsylvania Law Cited

The Pennsylvania law holds it illegal for an assured to accept an insurance policy for which he has not paid. When an assured accepts a substitute policy and does not pay his agent a premium for it, he is in effect receiving a rebate according to Mr. Saylor. Furthermore, the assured in accepting the new policy is receiving a valuable consideration and inducement other than specified in the policy. "Despite the fact that they secure no direct and immediate financial advantage from actions which are morally commendable, those brokers and agents who in such manner reinsure their clients' risks in going concerns are, nevertheless, violating the law."

Promotes Safe Driving

The Aetna Casualty has recently prepared an attractive leaflet on safe driving a copy of which accompanies every Aetna automobile policy issued. On the front page appears the statement—"Just One Rule for Safe Driving! Think!" This idea is amplified by suggesting five ways in which the safe driver thinks about what he is doing. These include alert attention at all times, courtesy and consideration for the rights of others, adapting speed to road weather and traffic conditions, observation of certain fundamental rules of the road and proper maintenance of car and equipment. Space is also devoted to a brief but convincing statement on the relation of safety to premium rates.

New Los Angeles Company

SAN FRANCISCO, July 12.—The Angelus Indemnity of Los Angeles with paid up capital of \$300,000 has been licensed to operate. M. G. Phillips is president. It will write fidelity and surety, plate glass, liability, burglary and automobile.

Bridge Work Will Bring Premiums to Companies

NEW WORK AT SAN FRANCISCO

Workmen's Compensation Insurance Is a Losing Class on the Coast as Elsewhere

SAN FRANCISCO, July 12.—The experience of the carriers with workmen's compensation business on the coast differs not a bit from that in other sections, which means that it has been and is a consistent loss producer, compelling companies to strictly limit their acceptances, and inducing a feeling of satisfaction when lines are gobbled by the state fund or non-affiliating institutions. The other casualty lines are in a more satisfactory condition, and with a noted improvement in general business an increase in premium income is anticipated by underwriters. Work on the two bridges crossing the bay is already under way, the estimated cost of the larger of the projects being \$62,000,000 and that of the smaller \$30,000,000, which means that employment will be assured a large number of workers for considerable time to come. Insurance of various kinds has been required for both enterprises, and this has meant much to the agents handling the lines.

Southern Surety Payment Ordered

DES MOINES, July 12.—Payment to creditors of the Southern Surety of Iowa of a first cash disbursement of 8 percent on their claims, totaling \$13,646, has just been ordered by Federal Judge Dewey.

Commissioner Clark who is receiver for the company, reported cash on hand \$17,940, with all claims filed except for administrative expenses. Claims allowed by the court total \$170,585.

Aetna Life Also Is Quitting Compensation in Oklahoma

OKLAHOMA CITY, July 12.—Following recent withdrawal by the Travelers from compensation business in Oklahoma, the Aetna Life announces that it will write no new compensation business in the state, except in Tulsa and Oklahoma City. Most of the business in force will be permitted to run to expiration, although in a few of the more undesirable locations agencies have been entirely discontinued. In Oklahoma City, compensation will be written with an additional charge of 66 percent above the regular manual rate.

The market is becoming more restricted monthly, making it almost impossible to place compensation insurance, a number of agents report. Except for a few reciprocals, most companies are confining new compensation business to risks where other business makes writing this class of coverage advisable. Other companies are writing only very selected risks and it is rumored that some of these will decline to write entirely where experience has been unfavorable after the state compensation insurance fund becomes operative July 21.

American Surety Newark Change

J. F. Clark, manager of the Newark, N. J., branch of the American Surety and New York Casualty, desires to be relieved of the chief responsibilities and hence becomes resident vice-president, H. N. Hutchinson succeeds him as manager. Mr. Hutchinson has been connected with the American Surety for 27 years, first as assistant manager at Minneapolis, then manager at Denver and Atlanta, and for the past two years as superintendent of production at the home office. Mr. Clark has served as manager at Newark for more than 35 years. He is president of the New Jersey Surety Underwriters Association.

"Chiseling" in Compensation

The following communication is from John A. Gunn, president of the Employers Mutual Casualty of Des Moines:

"Are we 'chiselers all' in the casualty field? Is not the failure of many companies in the United States chargeable to chiseling?"

"An employer of labor desires his workmen's compensation insurance written at the lowest rate obtainable. He approaches the local agent and tells him what he will pay for his workmen's compensation insurance for the succeeding year. The local agent then approaches the field representative and tells him his price, and by relating fanciful stories proceeds to chisel down the rates on the field representative. The field representative then in turn proceeds to lay before the general agent the terrible effects of competition, and how competition is making inroads and it is necessary for the general agent to loosen up on rates in order to hold his share of the business. The general agent then becomes a chiseler and lays before the home office his plea for consideration. In most cases the general agent demands personal consideration of his rights and the production department yields reluctantly, but nevertheless yields.

Fair Price for Fair Article

"It is chiseling tactics of all those who should be instrumental in getting a fair price for a fair article. The policy is written at a chiseled price, and possibly there wasn't any competition entering into it when it began, but the chiseling went on and on until finally the company wrote it for less premium than it should and could obtain.

"Does this employer of labor believe in chiseling? He certainly does not. He would be horrified at the same tactics employed by those marketing his prod-

uct. You will find him today in the 'halls of the mighty' asking under the national industrial recovery act a fair price for his product. You will find him telling his competitors that the difference between a fair price and a cut price is small, but it is that difference that breaks the business man. You will find him proclaiming from the housetops fair wages to his employees, fair prices in order to keep his employees busy and keep business profitable. He abhors chiseling, but when it comes to compensation insurance he becomes a past master in the art of chiseling, and commands the local agent, field representative, general agent, production department and even the officers of the insurance company, who are charged with the responsibility of operating it, and they yield to his bidding. Yes, we become 'chiselers all'.

Flabbiness of Mind

"In the early years of business in the United States it was the strong man who worked his way to the top. The years of prosperity fell lightly on his head and with a flabbiness of his flesh came flabbiness of his mind.

"Insurance executives, bankers, brokers and all of those at the head of institutions have become putty in the hands of the chiseler, who molds those individuals to his own making.

"Insurance companies that have lost money in underwriting have not lost it because of competition, but because of their own weakness in yielding to the chiseler each time that he makes a request upon them.

"Are we going to get out of it? Time will tell. Therefore, until the insurance executive ceases to be dictated to by the chiseler this situation is going to continue. Why can't we wake up? Why not tell the truth as to the reasons for cut rates in open states?"

Outlaws Sale of Insurance with Subscriptions, Etc.

VAN SCHAICK MAKES RULING

New York Commissioner Prohibits Insurance Company from Being Party to Promotional Plan

Superintendent Van Schaick of New York has issued a ruling disapproving the sale or giving away of insurance in connection with the sale of securities, commodities, subscriptions to newspapers, etc. Mr. Van Schaick cited a recent opinion of Attorney General Bennett holding that the issuance of insurance in connection with the sale of stock of an investment trust is objectionable because it makes the insurance company party to a promotional plan, because it contemplates the selling of insurance by unauthorized persons, because it allows discrimination in violation of section 89 of the insurance law.

This opinion, Mr. Van Schaick stated, caused the department to review the various plans in which insurance is tied up with other services and a hearing was held.

Insurance Is Discredited

Insurance is discredited by such promotional activities, he stated. It is similar to the proposal which the New York department recently turned down, that trading stamps redeemable in insurance be given away in connection with the sale of merchandise.

An insurance agent, Mr. Van Schaick stated, owes a duty to the public of guidance and counsel in respect to the intricate and complicated features of insurance. This is particularly true in the sale of limited or restricted accident policies sold at low rates where misunderstandings as to coverage arise. An insurance agent in a particular transaction should have no conflict of interest which would hinder him in his duty to the applicant.

In general, Mr. Van Schaick stated, a promotional enterprise will be deemed to exist whenever the sale of insurance or its continuance is conditioned upon anything other than the payment of the premium specified in the policy. Under any plan no discrimination should be made as to those entitled to insurance based upon anything other than proper underwriting.

Van Schaick Seeks Penalty

Because of the alleged improper writing of six general liability policies, one automobile liability and property damage contract and one surety bond, Superintendent Van Schaick of New York has requested the attorney general to bring an action for a penalty against the Home Indemnity. The superintendent charges that the Home Indemnity was in violation of sections 141 and 141-b of the New York law.

Superintendent Van Schaick stated that the Home Indemnity has been careless in its underwriting practices in a manner tending to cause improper rating. He warned the company to exercise greater care in the future and stated that the continuance of negligent practices will be regarded as wilful intent to violate its filed manual rates in any subsequent examination or investigation by the insurance department.

Talks by Dr. H. J. Stack

NEW YORK, July 12.—What is scheduled to be the first of a series of talks upon general safety measures to be delivered before educational agency and other bodies was given by Dr. H. J. Stack, safety supervisor of the National Bureau of Casualty & Surety Underwriters, at a gathering of the Bridgeport Agents Association, July 10. In all Dr. Stack plans to speak at 17 separate meetings in cities of this state and New England.

CASUALTY PERSONALS

R. E. Laley, of San Francisco, manager of the Pacific Coast branch of the National Bureau of Casualty & Surety Underwriters, is in New York City visiting headquarters and generally getting in touch with casualty conditions in the east. He has been connected with the National Bureau for a number of years, serving at different times in Chicago, the northwest and other important fields, before assuming his present responsible post upon the west

coast. Mr. Laley has probably developed more divisional managers for the organization than has any other man in its employ.

L. W. Cutler of San Francisco, resident vice-president of the Fidelity & Deposit, has been in Chicago with his son and daughter visiting the Century of Progress Exposition of which he is California commissioner. He went on to Washington, D. C., he having pro-

cured a loan from the Reconstruction Finance Corporation to build the San Francisco-Oakland bridge across the bay. Mr. Cutler was brought up in the surety business in Chicago, being associated with the W. W. Durham & Co. agency. Frank Durham of that agency is a cousin, as is Mrs. Roy L. Davis, wife of the assistant Chicago manager of the Union Central Life. Mr. Cutler is president of the board of trustees of Leland Stanford university. He served for three terms as president of the San Francisco association of commerce. He is prominent in civic and political affairs in his city and state.

The Fidelity & Deposit has gotten out a new house organ called the "Surety Producer" with S. C. Doolittle, publicity and advertising manager, as editor, and J. G. Yost, assistant secretary, associate editor. It deals with various phases of suretyship and indulges in personal items and news concerning men at the head office and field prominent with the company and its running mate, the American Bonding. It is a sprightly publication. July marks the Volume 1, Number 1.

After serving approximately nine years as federal receiver for the defunct Interstate Casualty of St. Louis, C. G. Revelle, former Missouri supreme court justice and Missouri superintendent of insurance, has been finally discharged from that position by an order terminating the long receivership. Judge Revelle will continue as trustee for a fund of approximately \$1,500 representing re-

ceivership dividends to certain creditors of the casualty company which have not been located.

John A. Matthews, New Jersey counsel for the General Accident, well known to insurance men, has announced his candidacy for the Democratic nomination for governor of New Jersey next year.

At the annual convention of Jewish War Veterans at Atlantic City, Harry I. Jacobs, resident vice-president of the Consolidated Indemnity in New Jersey, was elected senior vice-commander.

L. Y. Johnson, Louisville manager for the American Surety, and family have sailed on the Minnewaska for a tour of several weeks through France.

H. B. Clancey, manager of the accident & health department of the Western & Southern Indemnity, is recovering from severe head injuries which he suffered some days ago in returning from Columbus to Cincinnati when his automobile overturned. A small child ran into the road in front of Mr. Clancey's car and he was obliged to swerve so rapidly that his car turned over, causing cuts on his head and a lacerated ear.

The State Farm Life of Bloomington, Ill., has been licensed in Virginia to write life, health and accident with principal office at Charlottesville in charge of G. F. Holsinger.

Increase Your Auto Insurance Writings—

OUR LOW RATE SCHEDULE, CONVENIENT
TERMS AND BROAD FORM POLICY WILL HELP
YOU INCREASE YOUR AUTOMOBILE BUSINESS
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Iowa, Mississippi, Nebraska, Oklahoma,
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Thirty Years—Through Thick and Thin AMERICAN CASUALTY COMPANY

● Experience gained through meeting many and varied conditions removes the
always dangerous snap-judgments and vacillating practices that bring gray hair to
agents' heads.

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Supporting the American Agency System ever since

CHANGES IN CASUALTY FIELD

American Casualty Connection

Hoosier Casualty Makes General Agency
Arrangement with Pennsylvania Com-
pany for State of Indiana

The Hoosier Casualty through V. M. Ray, vice-president, and Milo Doerfler, agency supervisor, has consummated a general agency arrangement with the American Casualty of Reading, Pa., for Indiana. This connection will afford facilities to the agents of the Hoosier Casualty in the placing of allied casualty lines, which the company is not writing.

The American Casualty has net resources of over \$3,000,000 and over \$1,000,000 in surplus.

Mr. Ray has had a wide experience in casualty lines and has acquired a large following among the agents in Indiana. Mr. Doerfler has spent a number of years in the field throughout the middle west, and is well versed in all casualty lines.

Walter F. Beyer Is Elected Home Indemnity Secretary

Walter F. Beyer has been elected a director and secretary of the Home Indemnity. Heretofore he has been secretary in charge of the automobile department of the Home of New York.

After graduating from the University of Minnesota in 1912, Mr. Beyer joined the St. Paul Fire & Marine in the automobile and marine department. He was at first special agent and later assistant manager of the automobile department.

After the war he joined the Home of New York in the automobile department and was elected assistant secretary in 1928. He is a past president of the Automobile Underwriters Club of New York.

Redfield & McGurk Changes

Several appointments have been made by the Redfield & McGurk agency in Chicago of the Mutual Benefit Health & Accident and United Benefit Life of Omaha. C. H. Karsch becomes assistant manager in charge of the Chicago brokerage business. He formerly was

unit manager in the agency. J. A. Luke is promoted from unit manager to manager of the South Bend district with headquarters in that city. Arthur Dennis, unit manager at Gary, is transferred to Indianapolis in the same capacity. Jack Johnstone, agent at Gary, becomes manager for Lake and Porter counties with headquarters at Gary. Redfield & McGurk just recently were made managers for all Indiana in addition to their old Illinois territory.

Mutual Benefit's Michigan Change

A. O. Isaac has been appointed Michigan state manager for the Mutual Benefit Health & Accident and United Benefit Life, with headquarters in Detroit. He succeeds J. J. Donahue, who recently resigned. Mr. Isaac has had 25 years experience in accident and health insurance, starting with the old United States Health & Accident and more recently with the Massachusetts Bonding, National Casualty and Title Guaranty of Detroit, of which he was an officer for a number of years.

Hadley in Coast Position

F. Guy Hadley has joined the Income Guaranty of South Bend, Ind., as production manager for the Pacific Coast branch with headquarters in Los Angeles. Mr. Hadley has been a big producer in the accident and health business for many years. He formerly operated in Ohio, as well as in several southern states. He has already developed an organization in California and he contemplates opening adjoining states as conditions warrant.

Western & Southern Names Clark

The Western & Southern Indemnity has appointed J. Lindsay Clark of Baltimore as general agent. He has been in the business for 20 years and formerly represented the Central West Casualty as general agent.

Feldsmith Joins Continental

R. C. Feldsmith, who was manager of the Detroit branch of the General Indemnity until its discontinuance recently, has joined the Continental Cas-

ualty in New York City, covering New York state and the New England states for the bonding department. He became Detroit manager for the General Indemnity in 1931 after having been manager for the Indemnity of North America. Shortly before leaving to assume his new duties he was married to Miss Bertie Ritchie of Detroit in Chicago.

D. W. Elliott in New Post

D. W. Elliott has resigned as head of the claim department of the Ocean Accident in Chicago to join the Bankers Indemnity in the same capacity. In his new connection he succeeds H. B. de Shields, who has been with the Bankers about four years.

Mr. Elliott started with the Travelers. His next connection was with the Norwich Union first at Pittsburgh and then at Chicago. Then he joined the Lloyds Casualty. He has been head of the Ocean Accident claim department four years.

Plotke Branch Manager

F. R. Plotke, who for five years has been assistant manager in the Chicago branch office of the American Casualty, has been appointed manager to succeed J. F. Connell, who resigned July 1. Mr. Plotke has been in the casualty business 14 years, previously being connected with the Chicago offices of the Massachusetts Bonding and Commercial Casualty. The American Casualty branch has supervision over Illinois, Indiana and Iowa territory.

Spencer with American

C. A. Spencer has been appointed state agent in Florida by the American Indemnity with headquarters at Orlando. For six years Mr. Spencer was connected with the Georgia Casualty as agency supervisor, and later with the Public Indemnity and International Reinsurance as agency supervisor in South Carolina, Virginia, Tennessee, Alabama and Georgia.

Opens Philadelphia Office

J. A. Tufts, who has been connected with the Great American Indemnity in its New York office, has been appointed manager of the newly opened Philadelphia branch office of that company at 110 South Fourth street under the same roof with other companies in the Great American group. E. B. Lord, who has been secretary of Hopkins & Co. of Philadelphia, is assistant manager.

Made St. Louis General Agent

J. L. Hawkins, formerly of Indianapolis, has been appointed a general agent in St. Louis for the new National Surety. He has opened offices in the Rialto building.

Other Casualty Changes

J. M. Adams, Kansas manager of the Ohio Casualty, has moved from Wichita to Topeka, where offices have been established at 113 West 6th street. Tom Ring will continue to represent the company at Wichita.

F. Carrera & Bro. have been appointed general agents for Puerto Rico by the U. S. Fidelity & Guaranty, with headquarters at Mayaguez. M. Y. Saldana, who formerly represented the company, will be associated with Carrera & Bro.

Writes Texas Risks

The National Indemnity Underwriters of Fort Worth, Tex., which has been licensed by the Texas department, is writing compensation, public and automobile liability. C. H. Verschoyle is the attorney in fact.

Mortensen's Bank Robbed

Three wildly shooting bandits held up the New Lisbon (Wis.) State Bank, of which H. J. Mortensen, insurance commissioner of Wisconsin, is president and escaped with about \$5,000 in cash, after slugging the cashier.

WORKMEN'S COMPENSATION

Plan for New Jersey Probe

Organizations Interested in Compensation Investigation Hold Joint Meeting in Newark

NEWARK, July 12.—A meeting will be held here Thursday by the Essex Bar Association, Casualty Underwriters Association of New Jersey, New Jersey Casualty & Utilities Claim Men's Protection Association, Essex County Medical Association and the Employers Association of New Jersey to discuss methods of procedure in presenting various aspects in the compensation situation before the investigating commission authorized by the legislature. It is understood that each group is now assembling facts and figures bearing on compensation administration, as well as preparing recommendations for the commission.

Hearings will probably start early in August and will be held in Jersey City, Paterson and Trenton. A member of the attorney general's staff will attend each hearing.

The only two members appointed so far are the assembly representatives. Two are to be appointed from the senate and five by Governor Moore, representing employers, labor, insurance, law and medical. These appointments have been held up so that the governor might consult the groups which are meeting tomorrow.

Consider Oklahoma Fund Setup

OKLAHOMA CITY, July 12.—The state insurance board has under consideration the setup of rates for the administration by the state industrial commission of the new state workmen's compensation fund created by the last legislature and which goes into effect July 21. The law provides that while its benefits be disbursed by the industrial commission, the premium rates for carrying compensation must be fixed by the insurance board, as it does in other insurance. The legislature made an appropriation of \$25,000 to finance the fund, after which it must be self-sustaining.

It will be the state's first experience

in the compensation business, although a state hail insurance fund was unsuccessfully operated for a short time.

First Risk Is Submitted

The administrative committee in charge of the newly launched uninsured risk plan in Chicago has received its first application for insurance. It is from a junk yard and it provides a question to be settled at the start. Under the plan, in order to be considered for assignment by the administrative committee, the risk must have been rejected by five companies. This particular risk was rejected by five insurance agencies, but there was no direct word from the companies that they had turned it down.

Levy on Self-Insurers

FRANKFORT, KY., July 12.—The Kentucky workmen's compensation board voted a 2 percent levy on basic premium rates against employers who carry their own risks to carry on work of the board for the coming year. Under the law, insurance companies and self-insurers are assessed annually unless there is a balance in the account of the board aggregating \$60,000 at the beginning of the fiscal year. The assessment is collected through the insur-

Performance Counts in Plate Glass Insurance

And in Plate Glass Insurance performance means but one thing—unfailingly prompt Plate Glass Replacements.

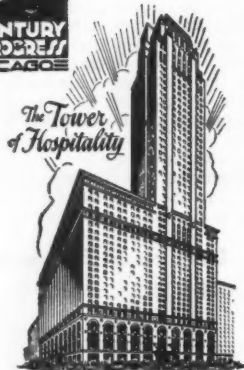
This company is foremost in the Chicago plate glass replacement field because it is thoroughly equipped to render replacement service that helps insurance men keep plate glass insurance sold.

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You can always find comfortable rooms, hospitable service and excellent inexpensive cuisine....

FROM FOUR DOLLARS A DAY

•
MARK HOPKINS
OR
THE FAIRMONT HOTELS

OVERLOOKING SAN FRANCISCO

four minutes from
Shops and Theatres.
Garage in building

ance department. During prosperous years it was not found necessary to levy such assessments, as one levy would last for two or three years, but now it is necessary apparently each year.

Fights to Retain Office

PIERRE, S. D., July 12.—F. L. Perry, appointed industrial commissioner before the new law went into effect transferring the duties of that department to the attorney general, is making a fight to continue in office, alleging that the new act is unconstitutional. Mr. Perry was locked out of his office, and the mail was ordered to be delivered to the attorney general. He

states that he will at once start a test suit as to the rights of the attorney general under the law as it stands.

Would Eliminate Delay

PHILADELPHIA, July 12.—The committee appointed by Governor Pinchot to investigate the workings of the workmen's compensation law in Pennsylvania at a two-day hearing here heard both insurance companies and employees urge elimination of the present delay in hearing cases.

G. H. Detweiler, attorney for the companies, urged that the workmen's compensation board adopt a strict rule of procedure which will eliminate delay and waste of time.

FIDELITY AND SURETY NEWS

Old Bond Remains in Force

Oklahoma Attorney-General's Ruling on County Treasurers Qualification Extends Sureties' Liability

OKLAHOMA CITY, July 12.—A county treasurer must continue to perform his duties until his successor is qualified and his surety bond is in effect as long as he is still in office, according to ruling by Attorney-General J. B. King. The treasurer of Marshall county resigned and the newly elected treasurer automatically succeeded to the office and was unable to obtain a surety bond.

The attorney-general held that the new official is given ten days in which to qualify and secure a surety bond. If he cannot meet the requirements by that time, the county commissioners may declare the office vacant and appoint some one else, who in turn is given ten days to qualify. Meanwhile the old officer must serve and bond is in effect until he is checked out of office.

Provision for Notice of Default on Bond Abrogated

Abrogating the requirement in a depository bond for notice of default, the Michigan supreme court has ruled against the Michigan Surety on deposits of the county of Muskegon in the Peoples State Bank for Savings. It holds the company liable for the full amount of a \$20,000 bond. The court referred to the statutory mandate that a bond be provided conditioned for safekeeping and repayment of moneys deposited under public bond, and held the provision for notice is surplusage.

The deposit involved included sums belonging to the state and other public bodies, but collected by the country. The court ruled that inasmuch as the statute providing for such deposit also provided for the bond, it was plainly intended that the bond should cover the entire deposit, and not merely funds owned by the county.

Conditional notice of cancellation of a depository bond is not effective, according to the Michigan supreme court in the case of County of Osceola vs. Michigan Surety. The company gave notice of cancellation of a \$20,000 bond, with intention to replace it with a \$10,000 bond.

Surety Association in Session

NEW YORK, July 12.—Several changes in the constitution and by-laws of the Surety Association of America are slated for consideration at its quarterly meeting today. At the same time the application of the National Surety Corporation for membership will be acted upon, and a report received from the committee on "return of securities bond." After adjournment of the regular meeting a general conference of the members will be held to talk over forgery bond covers and the most effective

means for meeting the competition of several non-affiliated companies that have been particularly aggressive of late in writing this line of coverage.

Surety Outing in Michigan

The Surety Association of Michigan is holding its annual golf outing July 14 at the Red-Run Golf Club near Detroit. H. J. Jeffrey, manager Metropolitan Casualty, is in charge.

To Survey Field of Compensation

(CONTINUED FROM PAGE 19)

to take an active part in the sessions. It is further assumed that W. H. Bennett, secretary of the National Association of Insurance Agents, will be present to give his views on acquisition costs.

Whether the question of a radical change in rating methods will come up is not certain. The National Association of Casualty & Surety Agents has had several conferences with Mr. Van Schaick in behalf of a plan for basing compensation premium on the man-hour basis instead of on the payroll system and also in behalf of a system of retrospective rating.

Long Standing Question

Whether the method so long in vogue of predicating rates on a payroll basis is the proper one has been a question for years. While there has been a severe falling off in wages paid workers during the depression period, there has been no change in benefit awards, these latter, fixed by statute in the great majority of the states, having either remained constant or increased, the result being that injured workmen find it far more profitable to continue their period of disability than return to work on a part-time basis. Malingering also has unquestionably increased in recent years.

Besides the work hour basis some executives advocate a rating scheme keyed in some way to material production. While the payroll method may have served at the time of its adoption and for a number of years subsequent thereto, the rapid mechanization in virtually every line of industry has increased many fold the man unit of production, decreasing correspondingly the number of men employed and of course, the aggregate payroll. By the same token the liability to accidental injury has been increased.

Collection of Payrolls

Another serious flaw in the compensation business as now conducted is in the collection of payrolls. To what extent carriers are defrauded of amounts justly due them each year from such source cannot be stated with accuracy, but that it aggregates a large sum, no one questions. As a case in point, one of the large New England carriers some time ago recovered under court order \$80,000 from an industrial concern that

sought to escape its contractual liability through the subterfuge of a fictitious set of accounts. The New York state fund has inspectors checking off the number of workers engaged by contractors covered under its policies to see that the reports filed by the assured corresponded with the facts.

The idea of a centralized payroll audit bureau is not a new one, having been more or less seriously entertained for the past ten years. While championed by some executives it has been consistently opposed by others. It may be different now; for even the die-hard managers are disposed to view situations differently after the experience of the past few years, and perhaps the central audit idea may find favor at the gathering here next Tuesday.

What is desired by the committee at the forthcoming meeting is a frank expression of views.

Comprehensive Auto Policy

The Employers Mutual Indemnity of Wausau, Wis., takes issue with a recent article indicating that the Aetna Casualty is the only company in the field issuing a comprehensive automobile policy. The Employers Mutual policy covers bodily injuries, property damage, bodily injuries and property damage if caused by the operation, maintenance or use of any motor vehicle not owned by and not registered in the name of the insured or any additional assureds named in the policy, including legal liability for damage to such automobile, fire, theft, tornado, plate glass and collision.

The question of ownership is not raised in connection with damage by the automobile; it provides protection against claims for damages as the result of operating or using any other motor vehicle in addition to the automobile described in the policy; covers over and above stated limits against interest from date of verdict rather than commencement of judgment; theft coverage includes trespass and wrongful conversion; contains an omnibus clause which extends all indemnity and insurance under the policy to others riding in or operating the automobile with consent of the assured; contains a financial responsibility clause which does not require reimbursement of the company by the policyholder; covers for 15 days without notice to the company if the assured replaces his automobile with another or acquires an additional automobile; provides excess insurance in case some other company has a policy in force covering the same loss; guarantees the insured his proportionate share of any amount recovered by the company from a third party through the subrogation clause; does not contain any restrictions against towing, attachment of trailer, illegal transportation, use other than specified, etc.

Michigan Mutual Liability

The Michigan Mutual Liability of Detroit completed the year with \$1,710 of assets with which to pay every \$1,000 of liability on its books. P. W. A. Fitzsimmons, president and general manager, told policyholders at the annual meeting. The treasurer's report showed net resources as of Dec. 31, 1932, of \$3,495,154 and voluntary contingent reserve fund and surplus as regards policyholders of \$1,596,910.

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